

**RATTLESNAKE FIRE PROTECTION DISTRICT**

**ANNUAL FINANCIAL REPORT**

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

# **RATTLESNAKE FIRE PROTECTION DISTRICT**

## **ANNUAL FINANCIAL REPORT For the Year Ended December 31, 2023**

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## SCHILLING & COMPANY, INC.

Certified Public Accountants

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### Independent Auditor's Report

Board of Directors  
Rattlesnake Fire Protection District  
Elbert County, Colorado

#### ***Opinions***

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Rattlesnake Fire Protection District, as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Volunteer Firefighters' Pension Plan Schedule of Changes in Net Pension Liability and Related Ratios, Volunteer Firefighters' Pension Plan Schedule of District Contributions, Volunteer Firefighters' Pension Plan Schedule of Net Pension Liability/(Asset), Fire and Police Association Statewide Defined Benefit Plan Schedule of Proportionate Share of the Net Pension Liability/(Asset), and Fire and Police Association Statewide Defined Benefit Plan Schedule of District Contributions 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.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
July 26, 2024

# **RATTLESNAKE FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

As management of Rattlesnake Fire Protection District (the "District"), we offer the readers of the District's financial statements and related notes this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2023.

## **Financial Highlights**

- The government-wide net position of the District is defined by the amount that the District's assets and deferred outflows of resources exceeds its liabilities and deferred inflows of resources. The net position of the District at the close of the most recent fiscal year was \$4,034,128, of this amount \$2,081,811 (unrestricted net position) may be used to meet the District's ongoing obligations to residents and creditors.
- The District's net position increased by \$408,223. The majority of the increase can be attributed to the receipt of insurance proceeds related to hail damage to District buildings and vehicles, federal grant revenues for SCBA Air packs, impact fees, and a state grant of for the purchase of protective gear, offset by increased wages and benefits, the purchase of protective gear, higher fire repair service, and higher firefighting costs.
- During 2023 the District spent a total of \$627,637 for capital equipment and building improvements. A medic was re-chassis, new SCBA Air packs were obtained through a regional grant, station improvements included a HVAC system, new overhead doors and flooring replacement. One of the District's stations incurred hail damage which is in the process of being repaired with the costs covered by insurance.
- As of December 31, 2023, the District's general fund reported an ending fund balance of \$1,936,801, a decrease of \$52,875.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprised of four components: 1) government-wide financial statements, 2) general fund financial statements, 3) notes to the financial statements and, 4) required supplemental information.

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

The statement of net position presents information on all of the District's assets, liabilities and deferred outflows and inflows of resources with the net difference 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.

# **RATTLESNAKE FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

The statement of net activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items may result in cash flows in future fiscal periods.

The statement of activity identify functions of the District that are supported by charges for services and general revenues, primarily property taxes.

The governmental activities of the District include fire prevention, fire protection, and emergency medical services and support.

The government-wide financial statements can be found on pages 1 – 2 of this report.

**Fund Financial Statements** - A fund is a grouping of related accounts that 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 governmental fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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 change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund, the general fund and adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstration compliance with its budget. Due to the regional grant and unexpected insurance claim and amended budget was filed for 2023.

The basic governmental fund financial statements can be found on pages 3 – 6 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 fund financial statements. The notes to the financial statements can be found starting on page 7 of this report.

# **RATTLESNAKE FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

## **Government-Wide Financial Analysis**

As noted earlier, the District's net position may, over time, serve as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,034,128 at the close of the most recent fiscal year.

The District's current and other assets increased by \$386,048, or 12.4%, primarily due to an increase in the District's property taxes receivable due to a significant increase in the District's assessed valuation for property taxes levied for collection in 2024. Capital assets increased due to current year capital additions, as further discussed below. Deferred outflows and inflows of resources both increased due to the recording of the FPPA – Statewide Defined Benefit Plan in accordance with generally accepted accounting principles. Also, affecting the deferred inflows of resources was the increase in the deferred property tax revenue, also as a result of the increased assessed valuation. The District's Volunteer Firefighter Pension Plan has a net pension liability of \$219,898 and the FPPA Statewide Defined Benefit Pension Plan had a net pension liability of \$71,146, in accordance with Governmental Accounting Standards Board ("GASB") GASB No. 68, *Accounting and Financial Reporting for Pensions*.

### **Rattlesnake Fire Protection District Statement of Net Position**

	2023	2022
Current and other assets	\$ 3,476,202	\$ 3,090,154
Capital assets, net of accumulated depreciation	1,904,533	1,466,766
Deferred outflows of resources	600,829	71,344
Net pension asset	-	2,463
Total ssets and deferred outflows of resources	<u>5,981,564</u>	<u>4,630,727</u>
Current liabilities	90,732	74,356
Long term liabilities, net pension liabilities	291,044	-
Deferred inflows of resources	1,565,660	1,185,404
Total Liabilities and deferred inflows of resources	<u>1,947,436</u>	<u>1,259,760</u>
Net Position		
Invested in capital assets, net of related debt	1,904,533	1,466,766
Restricted	47,784	56,077
Unrestricted	2,081,811	1,848,124
Total Net Position	<u>\$ 4,034,128</u>	<u>\$ 3,370,967</u>

A little under half of the District's net position (47.2%) reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and vehicles), net of accumulated depreciation and related debt, if any, used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to residents and visitors; consequently, these assets are not available for future spending.

At the end of the current fiscal year the District is able to report a positive net position.

# **RATTLESNAKE FIRE PROTECTION DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (“TABOR”) contains the requirement of establishing and maintaining an emergency reserve. The District’s emergency reserve can only be used for specific events and circumstances as defined in TABOR. As of December 31, 2023, the District’s emergency reserve was \$47,784.

The remaining balance of the net position, \$2,081,811, is available to meet the District’s ongoing obligations. Overall net position increased by \$408,223, as further described below.

## **Rattlesnake Fire Protection District Statement of Activities**

	<u>2023</u>	<u>2022</u>
<b>Revenue:</b>		
Program revenues		
Charges for services	\$ 203,582	\$ 224,980
Operating grants and contributions	121,573	21,060
Capital grants and contributions	666,497	87,410
Total program revenues	<u>991,652</u>	<u>333,450</u>
General revenues		
Property and specific ownership taxes	1,203,414	1,175,485
Net investment income	110,050	28,031
Other	7,094	6,163
Total general revenues	<u>1,320,558</u>	<u>1,209,679</u>
Total revenues	<u>2,312,210</u>	<u>1,543,129</u>
 <b>Expenses:</b>		
Fire protection - operation	<u>1,903,987</u>	<u>1,786,422</u>
Total expenses	<u>1,903,987</u>	<u>1,786,422</u>
 Change in Net Position	408,223	(243,293)
Net Assets-Beginning	<u>3,625,905</u>	<u>3,614,260</u>
Net Assets-Ending	<u>\$ 4,034,128</u>	<u>\$ 3,370,967</u>

There was an increase in the District’s net position for 2023 by \$408,223. The majority of the increase can be attributed to the receipt of \$258,213 insurance proceeds related to hail damage to District buildings and vehicles, federal grant revenues of \$246,917 for SCBA Air packs, \$156,073 of impact fees, and a state grant of \$30,101 for the purchase of protective gear, offset by increased wages and benefits, the purchase of protective gear, and higher fire repair service.

### **Financial Analysis of the District’s Funds**

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

**Governmental Funds** - The focus of the District’s general fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in



# **RATTLESNAKE FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the District's net resources available for future spending, if necessary.

As of the end of the current fiscal year, the District's General Fund reported an ending balance of \$1,936,801, a decrease of \$52,875. Approximately 92.9% or \$1,369,045 constitutes unassigned fund balance, which is available for future spending, if necessary, at the District's discretion. The remainder of the fund balance is non-spendable as it pertains to prepaid expenses, the projected budgetary deficit in 2024 and the required TABOR emergency reserve.

## **General Fund Budgetary Highlights**

The general fund budget for the year ending 2023 was amended due to obtaining a regional grant for new SCBA units and due to incurring property damage due to a weather event.

## **Capital Assets**

The District's investment in capital assets as of December 31, 2023, amounts to \$1,904,533 (net of accumulated depreciation). This investment in capital assets includes land, building and other improvements, equipment and apparatus. The District re-chassis a medic, replaced the overhead doors at the fleet maintenance building, a new HVAC system to one of the stations, replaced the flooring at the training center, obtained new SCBA units from a regional grant and have on-going building repairs to a station and the training center due to a hailstorm.

## **Economic Factors and Next Year's Budget**

The District has appropriated \$2,232,075 for spending in the 2024 fiscal year general fund budget.

- The District's budget for 2024 reflects general property tax revenue of \$1,434,859 (based on an assessed valuation for the District of \$136,588,222 and a mill levy of 10.505 mills).

## **Requests for Information**

This financial report is designed to provide a general overview of the Rattlesnake Fire Protection District's finances for all those with an interest in the finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Rattlesnake Fire Protection District  
46220 Coal Creek Drive  
Parker, CO 80138**

# **Basic Financial Statements**

**RATTLESNAKE FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2023**

**ASSETS**

Cash deposits	\$ 68,862
Investments	1,901,137
Due from County Treasurer	13,931
Accounts receivable:	
Fleet Services	2,736
Emergency Medical Services (net of allowance for adjustments and uncollectibles of \$35,631)	38,228
Prepaid expenses	16,449
Property taxes receivable	1,434,859
Capital assets, not being depreciated	168,909
Capital assets, being depreciated, net of accumulated depreciation	1,735,624

<b>TOTAL ASSETS</b>	5,380,735
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**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pensions - VPP	118,518
Deferred outflows related to pensions - SWDBP	482,311

<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	600,829
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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable	25,266
Accrued wages and benefits payable	58,935
Payroll tax liabilities	6,531
Total current liabilities	90,732

**LONG TERM LIABILITIES**

Net pension liability - VPP	219,898
Net pension liability - SWDBP	71,146
Total long term liabilities	291,044

<b>TOTAL LIABILITIES</b>	381,776
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**DEFERRED INFLOWS OF RESOURCES**

Deferred property tax revenue	1,434,859
Deferred inflows related to pensions - SWDBP	130,801

<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	1,565,660
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**NET POSITION**

Invested in capital assets	1,904,533
Restricted for TABOR emergency reserve	47,784
Unrestricted	2,081,811

<b>TOTAL NET POSITION</b>	\$ 4,034,128
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**RATTLESNAKE FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Fire protection operations	\$ 1,903,987	\$ 203,582	\$ 121,573	\$ 666,497	\$ (912,335)
<b>Total Governmental Activities</b>	<b>\$ 1,903,987</b>	<b>\$ 203,582</b>	<b>\$ 121,573</b>	<b>\$ 666,497</b>	<b>(912,335)</b>
<b>General revenues:</b>					
Property tax					1,036,130
Specific ownership tax					167,284
Mineral rights lease					4,912
Investment income					110,050
Other income					2,182
<b>Total General Revenues</b>					<b>1,320,558</b>
<b>Change in net position</b>					<b>408,223</b>
<b>NET POSITION - BEGINNING OF YEAR (Restated)</b>					<b>3,625,905</b>
<b>NET POSITION - END OF YEAR</b>					<b>\$ 4,034,128</b>

**RATTLESNAKE FIRE PROTECTION DISTRICT  
BALANCE SHEET - GENERAL FUND  
DECEMBER 31, 2023**

**ASSETS**

Cash deposits	\$ 68,862
Investments	1,901,137
Due from County Treasurer	13,931
Accounts receivable:	
Fleet Services	2,736
Emergency Medical Services (net of allowance for adjustments and uncollectibles of \$35,631)	38,228
Prepaid expenses	16,449
Property taxes receivable	1,434,859
<b>TOTAL ASSETS</b>	<b><u>\$ 3,476,202</u></b>

**LIABILITIES**

Accounts payable	25,266
Accrued wages and benefits payable	58,935
Payroll tax liabilities	6,531
<b>TOTAL LIABILITIES</b>	<b><u>90,732</u></b>

**DEFERRED INFLOWS OF RESOURCES**

Property taxes	1,434,859
Deferred Emergency Medical Services revenue	13,810
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>1,448,669</u></b>

**FUND BALANCE**

Non-spendable (Prepaid)	16,449
Assigned fund (Budget Expense over Revenue)	72,919
Restricted (Tabor)	47,784
Unassigned	1,799,649
<b>TOTAL FUND BALANCE</b>	<b><u>1,936,801</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b><u>\$ 3,476,202</u></b>

Adjustments to reconcile the fund balance sheet to the net position are as follows:

Fund balance per general fund balance sheet	\$ 1,936,801
Capital Assets used in governmental activities are not available financial resources and therefore, are not reported in the general fund	1,904,533
Certain amounts related to the District's pension plans reported on the statement of net position are not reported in the fund balance sheet:	
Net pension assets/(liabilities) - VPP and SWDBP	(291,044)
Deferred outflows related to pensions - VPP and SWDBP	600,829
Deferred inflows related to pensions - VPP and SWDBP	(130,801)
Certain revenue amounts are deferred in the fund statements as the are not measurable and/or available, however they are recognized as revenue in the statement of net position:	
Deferred Emergency Medical Services revenue	<u>13,810</u>
Net position per statement of net position	<b><u>\$ 4,034,128</u></b>

**RATTLESNAKE FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

**REVENUES:**

Property taxes	\$ 1,036,130
Specific ownership taxes	167,284
Investment Income	110,050
Grants	282,060
Emergency Medical Services (net of \$104,242 adjustments and uncollectibles)	126,905
CMS Supplement Payment	77,980
Outsourced fleet services	59,826
Impact fees	156,073
Contributions	8,450
Mineral rights lease	4,912
Resource deployment	3,041
Other	2,182
Total revenues	<u>2,034,893</u>

**EXPENDITURES:**

Fire protection operations	1,752,344
Capital outlay	<u>627,637</u>
Total expenditures	<u>2,379,981</u>

**EXCESS OF REVENUE OVER  
(UNDER) EXPENDITURES**

(345,088)

**OTHER FINANCING SOURCES (USES)**

Insurance proceeds	258,213
Sale of capital assets	<u>34,000</u>
Total other financing sources (uses)	<u>292,213</u>

**NET CHANGE IN FUND BALANCE**

(52,875)

**FUND BALANCE - BEGINNING OF YEAR (Restated)**

1,989,676

**FUND BALANCE - END OF YEAR**

\$ 1,936,801

**RATTLESNAKE FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

A reconciliation reflecting the differences between the General Fund excess of revenues over (under) expenditures and changes in net position reported for governmental activities in the statement of activities is as follows:

Net change in fund balance - General Fund	<u>\$ (52,875)</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	627,637
Depreciation	<u>(161,163)</u>
	<u>466,474</u>
Revenues and expenses in the statement of activities that do not provide or use current financial resources are not reported as revenues or expenditures in the funds:	
Proceeds from sale of capital assets	(34,000)
Gain on sale of capital assets	<u>5,294</u>
	<u>(28,706)</u>
Some expenses reported in the governmental fund statements were made subsequent to the measurement date for the net pension asset calculation and will therefore be reported as expenses.	
Deferred outflows of resources:	
District contributions subsequent to measurement date - SWDBP	76,156
District contributions subsequent to measurement date - VPP	<u>30,373</u>
	<u>106,529</u>
Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	
Change in deferred Emergency Medical Services revenue	13,810
Pension income/(expense) - SWDBP	(38,660)
Pension income/(expense) - VPP	<u>(58,349)</u>
	<u>(83,199)</u>
Change in net position	<u><u>\$ 408,223</u></u>

**RATTLESNAKE FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES:</b>				
Property taxes	\$ 1,038,733	\$ 1,038,733	\$ 1,036,130	\$ (2,603)
Specific ownership taxes	164,100	164,100	167,284	3,184
Interest on property taxes	500	500	1,180	680
Investment income	4,300	108,900	108,870	(30)
Grants:				
State	-	30,101	30,101	-
Federal	136,000	249,399	246,917	(2,482)
Other	-	-	5,042	5,042
Emergency Medical Services (net of \$104,242 adjustments and uncollectibles)	124,400	118,700	126,905	8,205
CMS supplement payment	40,000	77,900	77,980	80
Outsourced fleet services	75,000	75,000	59,826	(15,174)
Impact fees	115,500	115,500	156,073	40,573
Contributions	2,000	2,000	8,450	6,450
Water sales	1,000	1,000	-	(1,000)
Mineral rights lease	-	-	4,912	4,912
Oil well service fee	1,500	1,500	-	(1,500)
Resource deployment	50,000	50,000	3,041	(46,959)
Insurance proceeds	-	258,214	258,213	(1)
Proceeds from sale of capital assets	-	34,000	34,000	-
Other	501	501	2,182	1,681
<b>TOTAL REVENUES</b>	<b>1,753,534</b>	<b>2,326,048</b>	<b>2,327,106</b>	<b>1,058</b>
<b>EXPENDITURES:</b>				
Operating Expenditures				
Payroll and payroll related expenses	1,257,434	1,257,434	1,238,458	18,976
Fire administration	110,540	110,540	113,511	(2,971)
Fire repair service	132,000	132,000	91,934	40,066
Firefighting	190,300	190,300	140,762	49,538
Fire station maintenance	83,400	83,400	86,691	(3,291)
Fire communication	21,451	21,451	20,178	1,273
Pension contribution	42,973	42,973	30,373	12,600
County Treasurer fee	31,146	31,146	30,437	709
Total Operating Expenditures	1,869,244	1,869,244	1,752,344	116,900
Capital Outlay	433,000	637,000	627,637	9,363
<b>TOTAL EXPENDITURES</b>	<b>2,302,244</b>	<b>2,506,244</b>	<b>2,379,981</b>	<b>126,263</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(548,710)</b>	<b>(180,196)</b>	<b>(52,875)</b>	<b>127,321</b>
<b>FUND BALANCE - BEGINNING OF YEAR (Restated)</b>	<b>2,013,199</b>	<b>2,013,199</b>	<b>1,989,676</b>	<b>(23,523)</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,464,489</b>	<b>\$ 1,833,003</b>	<b>\$ 1,936,801</b>	<b>\$ 103,798</b>



**RATTLESNAKE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

The Rattlesnake Fire Protection District, a quasi-municipal corporation, is governed, pursuant to provisions of the Colorado Special District Act, by a five-member Board of Directors. The Board of Directors are elected by voters within the District boundaries or appointed. The District's service area is located in northwest Elbert County, Colorado. The District was established to provide fire protection and emergency medical services.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 operation or capital requirements of a particular function or segment. Property and other taxes and other revenue not included as program revenue are reported as general revenues.

**MEASUREMENT FOCUS AND FINANCIAL ACCOUNTING FRAMEWORK**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual

**RATTLESNAKE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

accounting. However, debt service expenditures, claims, and judgments are recorded only when payment is made.

Property taxes, specific ownership taxes, interest, and emergency medical services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period.

The District reports the following major governmental fund:

***General Fund*** – the general fund is the primary operating fund of the District. It accounts for all financial resources of the District.

**Fund Balance/Net Position**

***Fund Balance***

Fund balance for governmental funds are reported in the categories listed below to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – the amount of fund balance that is not in spendable form or is legally or contractually required to be maintained intact

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, or higher levels of government), through constitutional provisions, or by enabling legislation

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint

Assigned fund balance – amounts the District intends to use for a special purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the District's Board of Directors delegates the authority.

Unassigned fund balance – amounts that are available for any purpose.

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

As of December 31, 2023, the District's fund balance consisted of the following:

# **RATTLESNAKE FIRE PROTECTION DISTRICT** **NOTES TO FINANCIAL STATEMENTS** **DECEMBER 31, 2023**

Non-Spendable	
Prepaid expenditures	\$ 16,449
Assigned	
Subsequent year's expenditures	72,919
Restricted	
TABOR Emergency Reserve	47,784
Unassigned	1,799,649
Total Fund Balance	<u><u>\$ 1,936,801</u></u>

## ***Net Position***

Net Position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

*Net investment in capital assets* – consists of net capital assets, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions may be imposed by federal or state organizations. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

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

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

## **Cash and Cash Equivalents-Investments**

Cash and cash equivalents consist of cash on hand and amounts deposited in the bank and pooled state regulated investment accounts. Investments are stated at market value.

## **Capital Assets**

Capital assets which include land, buildings and improvements, apparatus and related equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The District's Board of Directors has the option to capitalize certain items less than \$5,000 in certain circumstances. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated and capital assets received through grants are recorded at estimated fair market value at date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	5 – 35	years
Improvements	20	years
Apparatus	10 – 15	years
Equipment	2 – 20	years

# **RATTLESNAKE FIRE PROTECTION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **DECEMBER 31, 2023**

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27 (GASB 68) and GASB Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB 68 (GASB 71).

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 71.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of American ("GAAP") 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Risk Management**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees and volunteers, or acts of God. The District maintains commercial insurance for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability, and public official bond. Settled claims have not exceeded this coverage in any of the past three fiscal years.

### **NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **A. BUDGETARY INFORMATION**

Formal budgetary integration is employed as a management control device during the year in the general fund. The Board of Directors adopted the District's budget in accordance with the Colorado Revised Statutes. Appropriations for the general fund lapse at the year-end.

The budgets for governmental fund types are adopted on a GAAP basis. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level. Total fund expenditure amounts determine the level at which expenditures may not legally exceed appropriations. Colorado Revised Statutes require the District to adopt a balanced budget. A balanced

# **RATTLESNAKE FIRE PROTECTION DISTRICT** **NOTES TO FINANCIAL STATEMENTS** **DECEMBER 31, 2023**

budget is when expenditures do not exceed the beginning cash balance plus revenues for the budget year. The District's Board of Directors can amend the budget and adopt supplemental budgets in accordance with the Colorado Revised Statutes. For 2023, the District's general fund budgeted expenditures exceeded budgeted revenues by \$180,196. The District's Board of Directors anticipated the use of prior year surpluses to fund the budgeted excess expenditures.

For the year ended December 31, 2023, the District's Board of Directors approved supplemental appropriations of expenditures for the General Fund.

## **B. PROPERTY TAXES**

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property as of January 1. Property taxes are due as of January 1 of the following year and are payable in two equal installments due February 28 and June 15 if paid in installments, or April 30, with a single payment. Property taxes are delinquent as of August 1. If property taxes are not paid within subsequent statutory periods, the property will be sold at public auction. No provision has been made for uncollected property taxes, as all property taxes are deemed collectible. The Elbert County Treasurer bills and collects the property taxes and remits collections to the District on a monthly basis.

Property taxes are recorded initially as deferred inflows of resources in the year the property taxes are levied and measurable since the property taxes are not normally available nor are the property taxes budgeted as a resource until the subsequent year. The property taxes are recorded as revenue in the subsequent year as the property taxes are received.

## **NOTE 4 – DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

### **A. DEPOSITS AND INVESTMENTS**

Cash and investments as of December 31, 2023, consisted of the following:

Deposits with financial institutions	\$ 68,862
Investments	<u>1,901,137</u>
Total cash deposits and investments	<u>\$ 1,969,999</u>

#### **Deposits**

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. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The 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 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings associations are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2023, the District's cash deposits had a bank balance of \$70,561 and a carrying balance of \$68,862.

# RATTLESNAKE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2023

**Custodial Credit Risk** – In the case of deposits, there is the risk that in the event of a bank failure, the District’s deposits may not be returned. As of December 31, 2023, the District’s deposits were not exposed to custodial credit risk as all deposits were insured by the Federal Deposit Insurance Commission or collateralized in accordance with PDPA.

#### **Investments**

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

<b><u>Investment</u></b>	<b><u>Maturity</u></b>	<b><u>Amount</u></b>
COLOTRUST PLUS+	Weighted average under 60 days	\$ 403,858
COLOTRUST EDGE	Weighted average over 60 days	1,497,279
		<u>\$ 1,901,137</u>

**Interest Rate Risk** – As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the District’s investment policy states that the weighted average maturity of the portfolio shall be no longer than 5 years.

**Credit Risk** – The District’s investment policy is to apply the prudent person rule where investments are made, as a prudent person would be expected to act. The District’s investment policy limits investments in fixed income securities to U.S. Treasury Bills, Notes and Bonds, Certificate of Deposits, Commercial Paper, Money Market Funds and Colorado Public Investment Pools. The investment policy limits investment in commercial paper to be rated AI/PI by at least one nationally recognized rating agency at the time of purchase. Money market funds are to be registered as an investment company.

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

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

**COLOTRUST** – As of December 31, 2023, the District had invested in the Colorado Local Government Liquid Trust (“Trust”), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+ may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. COLOTRUST EDGE invests in high-quality long-duration securities. COLOTRUST PRIME and

**RATTLESNAKE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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COLOTRUST PLUS+ portfolios are rated AAAM by Standard & Poor's. COLOTRUST EDGE portfolio is rated AAAf/S1 by Fitch Ratings. As of December 31, 2023 the District had \$403,858 invested in the COLOTRUST PLUS+ portfolio and \$1,497,279 invested in the COLOTRUST EDGE portfolio, for a total investment in COLOTRUST of \$1,901,137.

**Investment Valuation** – Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has investments not categorized with the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value ("NAV") per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at year end for which the investment valuation was determined as follows.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with GASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share for the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios and a NAV of \$10.00 per share for the COLOTRUST EDGE portfolio, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 or \$10.00 per share.

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**RATTLESNAKE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**B. CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
<b>Capital assets - not subject to depreciation</b>				
Land	\$ 43,448	\$ -	\$ -	\$ 43,448
Construction in progress	5,740	119,721	-	125,461
Total capital assets not being depreciated	49,188	119,721	-	168,909
<b>Capital assets, subject to depreciation</b>				
Buildings and improvements	1,739,792	105,506	(5,931)	1,839,367
Improvements other than buildings	595,408	-	-	595,408
Apparatus	3,231,894	130,800	(139,518)	3,223,176
Machinery and equipment	997,436	271,609	-	1,269,045
Total capital assets being depreciated	6,564,530	507,915	(145,449)	6,926,996
<b>Less accumulated depreciation</b>				
Buildings and improvements	(772,766)	(49,190)	5,931	(816,025)
Improvements other than buildings	(595,408)	-	-	(595,408)
Apparatus	(3,025,122)	(62,927)	110,812	(2,977,237)
Machinery and equipment	(753,656)	(49,046)	-	(802,702)
	(5,146,952)	(161,163)	116,743	(5,191,372)
Total capital assets being depreciated, net	1,417,578	346,752	(28,706)	1,735,624
<b>Total capital assets</b>	<b>\$ 1,466,766</b>	<b>\$ 466,473</b>	<b>\$ (28,706)</b>	<b>\$ 1,904,533</b>

**NOTE 5 – OTHER INFORMATION**

**A. Pension Plans**

**Volunteer Firefighters' Pension**

*Description of the Plan and Benefits Provided*

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan ("Plan") that is affiliated with the Colorado Fire and Police Pension Association ("FPPA"). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Plan, an agent multiple-employer defined benefit pension plan administered by FPPA. The Plan provides retirement benefits for members and beneficiaries according to the Plan provisions as enacted and is governed by the District's Pension Plan Board of Trustees. Colorado Revised Statutes, as amended, establishes basic benefit provisions under the Plan. FPPA issues publicly available annual financial reports that include assets of the volunteer plan. That report may be obtained by calling the FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area. The District's Pension Plan Board of Trustees is composed of the five Directors of the District and two District volunteer firefighters. Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing, are eligible to participate in the Plan for that year.



# **RATTLESNAKE FIRE PROTECTION DISTRICT** **NOTES TO FINANCIAL STATEMENTS** **DECEMBER 31, 2023**

The District makes contributions based upon District established benefits and funding requirements which are based upon an actuarial study. Plan participants do not make contributions. The State of Colorado may also contribute to the plan in an amount set by statute.

The Plan provides retirement benefits for Plan participants and beneficiaries according to the Plan provisions as enacted and governed by the District's Plan Board of Trustees as follows:

Normal Retirement Benefit at Age 50 with 20 years of service (monthly)	\$ 375
Disability Retirement Benefit (monthly)	
Short Term Disability for line of duty injury	\$ 150
Long Term Disability for line of duty injury	\$ 300
Survivor Benefits (monthly)	
Death in the line of duty, before retirement eligible	\$ 187
Death after normal retirement	\$ 187
Death after disability retirement	\$ 75
Funeral Benefit, lump sum, one-time only	\$ 100

Plan participants rights to a benefit vest after ten years of service. Plan Participants, who retire with 10 years of credited services, are entitled to a partial benefit. Surviving spouses are entitled to 50% benefits. The above benefit provisions were also used to determine the total pension liability, discussed subsequently.

## *Plan participants covered by the Plan*

Retirees and Beneficiaries	33
Inactive, Nonretired Members	6
Active Members	<u>22</u>
Total Participants	<u>61</u>

## *Net Pension Liability (Asset) and Change in the Net Pension Liability (Asset)*

As defined within GASB Statement No. 68, *Employer Reporting for Pension Plan*, ("GASB 68") the Net Pension Liability/(Asset) ("NPL") ("NPA") is the difference between the Total Pension Liability ("TPL") and the Plan's Net Position Available for Benefits. This is analogous to the Plan's accrued liability less than the market value of the Plan's assets. The TPL is based upon on an actuarial valuation performed as of January 1, 2023 and the measurement date of December 31, 2022. As permitted under GASB 68, the measurement date is within one year of the District's fiscal year-end of December 31, 2023, and may be used to fulfill the December 31, 2023 reporting requirements. As of December 31, 2023, the District reported a net pension liability of \$219,898.

# **RATTLESNAKE FIRE PROTECTION DISTRICT** **NOTES TO FINANCIAL STATEMENTS** **DECEMBER 31, 2023**

The change in the Plan's NPL/NPA consists of the following:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 12/31/2022	\$ 1,369,293	\$ 1,371,756	\$ (2,463)
Changes for the year:			
Service cost	16,633	-	16,633
Interest on the total pension liability	93,229	-	93,229
Difference between expected and actual experience	15,952	-	15,952
Changes in assumptions or other inputs	16,626	-	16,626
Benefit payments	(92,822)	(92,822)	-
District contributions	-	30,373	(30,373)
State of Colorado contributions	-	12,600	(12,600)
Pension plan net investment income	-	(109,831)	109,831
Administrative expense	-	(13,063)	13,063
Net Changes	49,618	(172,743)	222,361
Balances at 12/31/2023	\$ 1,418,911	\$ 1,199,013	\$ 219,898

As of December 31, 2023, the measurement date, the NPL/(NPA) consisted of the following:

Total Pension Liability	\$ 1,418,911
Plan Net Position Available for Benefits	(1,199,013)
Net Pension Liability/(Asset)	<u>\$ 219,898</u>
Percentage of Plan Net Position Available for Benefits to Total Pension Liability/(Asset)	<u>84.50%</u>

*Sensitivity of the District's NPL/(NPA) to Changes in the Discount Rate.*

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

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
District's NPL/(NPA)	\$ 391,691	\$ 219,898	\$ 78,485

*Basis for Determining the District and Actuarial Calculated Contributions*

The actuarially determined contributions are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, as such, the actuarial valuation as of January 1, 2023, determined the contribution amounts for 2023 and 2024.

# RATTLESNAKE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2023

The methods and assumptions used to determine the contribution rates are as follows:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open *
Remaining amortization period	20 years *
Asset valuation method	5 - year smoothed fair value
Investment rate of return	7.0%
Projected salary increases	N/A
Inflation	2.5%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	<p><b>Pre-retirement:</b> Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier.</p> <p><b>Post-retirement:</b> Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.</p> <p><b>Disabled:</b> Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.</p>

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

For the actuarial valuation calculated on January 1, 2023 for the contribution amounts for 2023 and 2024, the global assumption set for plans administered by FPPA was changed in the 2022 Experience Study and effective as of January 1, 2023. This is the first valuation for this plan with the new assumptions. The mortality assumptions were updated to use the Pub-2010 Public Safety Mortality tables projected with the ultimate rates of the MP-2020 projection scale.

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 return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then 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:

**RATTLESNAKE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

*Pension Expense (Income) and Deferred Outflows and Inflows of Resources Related to Pensions*

The deferred outflows and inflows of resources, as applicable, related to the Plan are amounts used under GASB 68 in developing the annual pension expense. The deferred outflows and inflows of resources arise from differences between expected and actual experiences and changes, as applicable, of assumptions. The portions of these amounts which are not included in the current pension expense are reflected on the statement of net position as deferred outflows and inflows of resources.

For the year ended December 31, 2023, the District recognized a net pension expense of \$58,349.

As of December 31, 2023, the District reported deferred outflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>
Difference between expected and actual experience	\$ 10,776
Changes of assumptions	11,231
Net difference between projected and actual earnings on pension plan investments	66,138
Contributions subsequent to the measurement date	30,373
Total	<u>\$ 118,518</u>

The \$30,373 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the NPL in the year ending December 31, 2024.

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

# **RATTLESNAKE FIRE PROTECTION DISTRICT** **NOTES TO FINANCIAL STATEMENTS** **DECEMBER 31, 2023**

Year Ending December 31

2024	\$ 4,750
2025	19,790
2026	22,868
2027	40,737
	<u>\$ 88,145</u>

## **Fire and Police Statewide Defined Benefit Pension Plan**

### *Summary of Significant Accounting Policies*

*Pensions.* The District participates in the Statewide Defined Benefit Pension Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension liability/(asset), 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 SWDBP 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.

### *General Information about the Pension Plan*

*Plan description.* The SWDBP covers substantially all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The SWDBP became effective January 1, 1980. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at [www.fppaco.org](http://www.fppaco.org). As of January 1, 2023, the 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.

*Benefits provided.* FPPA provides retirement and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement.

The following types of retirement are available under the SWDBP:

- Normal: 25 years of service and age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years’ base salary (as defined in FPPA Rule 101.05). A member may also qualify for 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).
- Early: 30 years of service or age 50 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average

# **RATTLESNAKE FIRE PROTECTION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **DECEMBER 31, 2023**

of the highest 3 years' base salary (as defined in FPPA Rule 101.05). The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the receipt of the benefit.

- Vested: 5 years of service payable at age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit. (as defined in FPPA Rule 101.05).

The SWDBP has a deferred retirement option plan (DROP) that allows members to enter the program if they meet one of the following criteria: 1) member is eligible for normal retirement or 2) member is vested or 3) member is eligible for early retirement. The DROP plan allows a member to choose to continue employment for a maximum of five years. During this period of continued employment, the member's retirement benefits as well as employee contributions are paid into a member's DROP account. At the end of the DROP period, the member ceases employment and receives the amount accumulated in the DROP account either in a periodic, lump sum or a monthly lifetime benefit.

Each member must elect a payment option for retirement benefits shortly before benefit payments are paid to ensure that the beneficiary and payment option factors are accurate. The member has six payment options. The payment options allow the member to receive full retirement benefits during the member's lifetime or receive reduced retirement benefits so that a designated beneficiary may receive a portion of the retirement benefit either during the member's lifetime or after the member's death depending on the option selected.

Vested members with more than 5 years of service and non-vested members with less than 5 years of service may elect to withdraw their member contribution accounts upon termination of employment with all FPPA employers; waiving rights to any lifetime retirement benefits earned. The member's contributions plus 5% interest may be refunded to the member with all other contributions being forfeited. If a refund is chosen, stabilization reserve account monies and all employer contributions are forfeited.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement benefit adjustments (formerly referred to as COLAs). Benefit adjustments are not guaranteed and are determined annually by the FPPA Board of Directors based on the most recent actuarial study. The amount of the benefit adjustment can be 0% to 3%, or the greater of the Consumer Price Index (CPI) per year. Benefit adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

*Contributions.* Eligible employees and the District are required to contribute to the SWDBP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statutes or election of the membership. Eligible employees and the District are required to contribute to the SWDBP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by statute or by election of the membership. In 2013, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12.0 percent of pensionable earnings. Employer

# **RATTLESNAKE FIRE PROTECTION DISTRICT** **NOTES TO FINANCIAL STATEMENTS** **DECEMBER 31, 2023**

contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. Employer contributions to the SWDBP from the District were \$76,156 for the year ended December 31, 2023.

Annually, at the discretion of the Board of Directors of FPPA, the difference between the combined member/employer contributions and the actuarially determined contribution rate may be allocated to the stabilization reserve account (SRA). If the cost of the SWDBP exceeds the combined member/employer contribution rate, funds from the SRA may be used to make up the shortfall. Amounts set aside in the SRA are allocated to individual accounts for each member. A member may receive the amounts in this individual account upon election of Normal, Early or Vested retirement.

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

As of December 31, 2023, the District reported net pension liability of \$71,146 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The District's proportion of the net pension liability was based on District contributions to the SWDBP for the calendar year 2022 relative to the total contributions of participating employers to the SWDBP.

As of December 31, 2023, the District's proportion was 0.0801545416 percent, which was an increase of 0.0105006472 percent from its proportionate share as of December 31, 2022.

For the year ended December 31, 2023, the District recognized a net pension expense of \$38,660. As of 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 expected and actual experience	\$ 154,006	\$ (8,733)
Changes of assumptions or other inputs	91,148	-
Net difference between projected and actual earnings on pension plan investments	161,001	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	(122,068)
Contributions subsequent to the measurement date	76,156	-
Total	<u>\$ 482,311</u>	<u>\$ (130,801)</u>

The \$76,156 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending 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:

**RATTLESNAKE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

<u>Year Ending December 31</u>	
2024	\$ 19,777
2025	50,180
2026	78,546
2027	116,698
2028	11,200
Thereafter	(1,047)
	<u>\$ 275,354</u>

*Actuarial assumptions.* The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Not Applicable
Amortization Period	Not Applicable
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* 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 pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

The SWDBP's 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:

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



# RATTLESNAKE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2023

*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 SWDBP 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 of the District's proportionate share of the net pension liability/(asset) to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability/(asset)	<u>\$ 490,471</u>	<u>\$ 71,146</u>	<u>\$ (276,191)</u>

*Pension plan fiduciary net position.* Detailed information about the SWDBP's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at [www.fppaco.org](http://www.fppaco.org).

During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and the Statewide Hybrid Plan to form the Statewide Retirement Plan, effective January 1, 2023. The merger will result in increased longer-term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined.

#### **B. 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, 2023, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are

# **RATTLESNAKE FIRE PROTECTION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **DECEMBER 31, 2023**

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 1098 pursuant to Colorado Revised Statutes. FPPA 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](http://www.fppaco.org).

*Funding Policy* – The District and/or employee is required to contribute at a rate of 3.4% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.4% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is making the full 3.4% contribution on behalf of the members. For the year ending December 31, 2023, the District's contributions to the SWD&DP on behalf of the employees was \$27,059 equal to the required contributions for each year.

#### **C. Deferred Compensation Plan**

All paid firefighters are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457 (Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by FPPA, allows all paid firefighters the opportunity to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefits of the participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits.

Deferred Compensation Plan investment purchases are determined by the individual participants and therefore, the Deferred Compensation Plan's investment concentration varies between participants.

The District has no liability for losses under the Deferred Compensation Plan. Accordingly, the Deferred Compensation Plan is not part of the District's financial statements.

#### **D. Tax, Spending and Debt Limitations**

Colorado voters passed an amendment to the State Constitution in 1992, Article X, Section 20, ("TABOR") which has several limitations, including revenue raising, spending abilities, and other specific requirements for state and local governments. TABOR excludes from its provision Enterprise Activities. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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

# **RATTLESNAKE FIRE PROTECTION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **DECEMBER 31, 2023**

In 2013, the electors of the District authorized the District to collect and spend all revenue received in 2013 and subsequent years, notwithstanding the limitations of TABOR, without increasing its mill levy above current levels without further voter approval.

TABOR requires that Emergency Reserves be established. These Emergency Reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service) from 1995 and thereafter. The District's Emergency Reserves as of December 31, 2023, totaling \$47,784 have been presented as a restriction in the general fund and net position. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases.

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

In 2018, the electors of the District authorized the District to adjust the District's mill levy up or down, in response to legislative changes to the residential property tax assessment percentage. The District levied 10.170 mills for property taxes to be collected in 2023.

#### **E. Impact Fee**

In 2016, the State of Colorado passed House Bill 16-1088, *Fire Protection District Impact Fee* on new development. The legislation authorizes Fire Districts to impose an impact fee on the construction of new buildings, structures, facilities, or improvements, including oil and gas wells, on previously improved or unimproved real property for reasonable related added cost of fire protection services from the Fire Districts. Additionally, the County where the Fire District resides must be involved with the assessment and collection of the agreed impact fees.

In 2017, the District contracted for an Impact Fee Study with the results of the study decreasing the residential fee from \$3,180 to \$2,897 per dwelling unit and commercial developments from \$1.65 to \$1.35 per square foot. The impact fee rates became effective January 1, 2018 and will be effective until the next required Impact Fee Study in 2024. For the year ending December 31, 2023 the District collected \$156,073.

#### **F. Oil and Gas Lease**

In 2017, the District entered into an oil and gas lease with Lotus Land & Minerals, LLC to lease the mineral rights under certain properties owned by the District. The primary term of the lease is for four years with an option for an additional two years. In October 2021, the option was exercised and \$19,004 was received as consideration. In 2023, the District started to receive payments for oil and gas production per the terms of the lease. A total of \$6,267 has been received as of December 31, 2023, with \$4,912 received in 2023.

#### **G. Intergovernmental Agreement**

In 2013, the District entered into an Intergovernmental Agreement ("IGA") for the construction and operation of a Joint Facility with Elizabeth Fire Protection District. The Joint Facility enables both Districts to provide high quality and cost-effective emergency services to its residents along with an improvement in insurance ratings. In 2017, the District moved its fleet operations into the Joint Facility.

# RATTLESNAKE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2023

Subsequently, under mutual agreement any costs incurred over the minimum operating costs of the Joint Facility are the responsibility of the District.

#### **H. Related Parties Transactions**

The District may from time-to-time provide services to or purchase goods or services from entities related to Directors, current and past employees or volunteers of the District. These purchases are on the same terms and conditions as those entered into with non-related parties. For the year ending December 31, 2023 the District provided \$5,359 of fleet services to a related party and had an amount due from this related party of \$2,736 as of December 31, 2023. Additionally, during 2023 the District purchased services from the same related party in the amount of \$19,326.

#### **I. Management's Evaluation of Subsequent Events**

The preparation of the District's financial statements and accompanying notes in conformity with generally accepted accounting principles requires management of the District to evaluate transactions and events subsequent to the balance sheet date involving the District. Management has evaluated the subsequent transactions and events of the District through July 22, 2024, which is the date the financial statements and accompanying footnotes were approved and available for issuance.

#### **NOTE 6 – RESTATEMENT**

For the year ended December 31, 2023, there were several errors noted in the application of accounting principles which required correction. They included prepaid expenditures/expenses, emergency medical services receivables/allowances, and vacation accruals which had not been recorded as of December 31, 2022. Additionally, the District had not presented the net pension asset and the deferred outflow/inflows related to pensions of the Fire and Police Association of Colorado's Statewide Defined Benefit Plan in accordance with the Governmental Accounting Standards Board Statement 68 – Accounting and Financial Reporting for Pensions. As a result of these errors the beginning fund balance of the General Fund and the beginning net position of the Governmental Activities in the government-wide financial statements were restated as follows:

	General Fund	Governmental Activities
Fund Balance/Net Position as Reported December 31, 2022	\$ 1,977,605	\$ 3,370,967
Adjustments for Error Corrections:		
Prepaid expenditures/expenses	8,206	8,206
Emergency Medical Services receivables/allowances	16,213	16,213
Vacation accrual	(12,348)	(12,348)
FPPA Statewide Defined Benefit Plan	-	242,867
Restated Beginning Fund Balance/Net Position	<u>\$ 1,989,676</u>	<u>\$ 3,625,905</u>

This information is an integral part of the accompanying financial statements.

## **Required Supplementary Information**

**RATTLESNAKE FIRE PROTECTION DISTRICT  
VOLUNTEER FIREFIGHTERS' PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS  
DECEMBER 31, 2023**

**Year 9 (prospectively since 2014)**

Measurement period ended December 31.	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Pension Plan Liability</b>									
Service cost	\$ 25,995	\$ 28,371	\$ 28,371	\$ 24,293	\$ 24,293	\$ 15,504	\$ 15,504	\$ 16,633	\$ 16,633
Interest on the total pension liability	83,444	78,471	81,920	85,609	87,354	86,035	87,618	91,930	93,229
Difference between expected and actual experience of the total pension liability	(116,359)	-	(11,145)	-	(21,192)	-	41,658	-	15,952
Assumption changes	-	-	26,158	-	60,140	-	-	-	16,626
Benefit payments	(60,890)	(60,202)	(61,538)	(87,154)	(86,083)	(77,566)	(80,316)	(87,281)	(92,822)
Net change in total pension liability	(67,810)	46,640	63,766	22,748	64,512	23,973	64,464	21,282	49,618
Total pension plan liability - beginning	1,129,718	1,061,908	1,108,548	1,172,314	1,195,062	1,259,574	1,283,547	1,348,011	1,369,293
Total pension plan liability - ending	<u>\$ 1,061,908</u>	<u>\$ 1,108,548</u>	<u>\$ 1,172,314</u>	<u>\$ 1,195,062</u>	<u>\$ 1,259,574</u>	<u>\$ 1,283,547</u>	<u>\$ 1,348,011</u>	<u>\$ 1,369,293</u>	<u>\$ 1,418,911</u>
<b>Pension Plan Fiduciary Net Position</b>									
District contributions	\$ 30,817	\$ 30,817	\$ 30,817	\$ 30,817	\$ 30,817	\$ 22,707	\$ 28,953	\$ 28,953	\$ 30,373
Pension plan net investment income	63,448	17,716	52,260	144,949	858	147,719	143,163	179,213	(109,831)
Benefit payments	(60,890)	(60,202)	(61,538)	(87,154)	(86,083)	(77,566)	(80,316)	(87,281)	(92,822)
Pension Plan administrative expenses	(1,836)	(2,931)	(1,830)	(13,951)	(13,551)	(12,220)	(10,218)	(12,042)	(13,063)
State of Colorado supplemental discretionary contribution	16,748	16,748	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Net change in Pension Plan fiduciary net position	48,287	2,148	32,309	87,261	(55,359)	93,240	94,182	121,443	(172,743)
Pension plan fiduciary net position - beginning	948,245	996,532	998,680	1,030,989	1,118,250	1,062,891	1,156,131	1,250,313	1,371,756
Pension plan fiduciary net position - ending	<u>\$ 996,532</u>	<u>\$ 998,680</u>	<u>\$ 1,030,989</u>	<u>\$ 1,118,250</u>	<u>\$ 1,062,891</u>	<u>\$ 1,156,131</u>	<u>\$ 1,250,313</u>	<u>\$ 1,371,756</u>	<u>\$ 1,199,013</u>
<b>Net Pension Liability/(Asset)</b>	<u>\$ 65,376</u>	<u>\$ 109,868</u>	<u>\$ 141,325</u>	<u>\$ 76,812</u>	<u>\$ 196,683</u>	<u>\$ 127,416</u>	<u>\$ 97,698</u>	<u>\$ (2,463)</u>	<u>\$ 219,898</u>
<b>Pension Plan Fiduciary Net Position as a % of Total Pension Plan Liability/(Asset)</b>	93.84%	90.09%	87.94%	93.57%	84.38%	90.07%	92.75%	100.18%	84.50%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Plan Liability as % of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**RATTLESNAKE FIRE PROTECTION DISTRICT  
VOLUNTEER FIREFIGHTERS' PENSION PLAN  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
DECEMBER 31, 2023**

**(Last 10 Fiscal Years)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 47,565	\$ 47,568	\$ 47,568	\$ 43,417	\$ 35,307	\$ 35,307	\$ 41,553	\$ 42,973	\$ 42,973	\$ 42,441
Contributions in relation to the actuarially required contribution:										
District contribution	30,817	30,817	30,817	30,817	30,817	22,707	28,953	28,953	30,373	30,373
State of Colorado contribution	16,748	16,748	16,748	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Tota contributions	\$ 47,565	\$ 47,565	\$ 47,565	\$ 43,417	\$ 43,417	\$ 35,307	\$ 41,553	\$ 41,553	\$ 42,973	\$ 42,973
Contribution deficiency (excess)	\$ -	\$ 3	\$ 3	\$ -	\$ (8,110)	\$ -	\$ -	\$ 1,420	\$ -	\$ (532)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule**

Methods and assumptions used to determine contribution rates (Year ending December 31, 2023):

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open *
Remaining amortization period	20 years *
Asset valuation method	5 - year smoothed fair value
Investment rate of return	7.0%
Projected salary increases	N/A
Inflation	2.5%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality:	Pre-retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier. Post-retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

**RATTLESNAKE FIRE PROTECTION DISTRICT  
VOLUNTEER FIREFIGHTERS' PENSION PLAN  
SCHEDULE OF NET PENSION LIABILITY/(ASSET)  
DECEMBER 31, 2023**

**(Last 10 Fiscal Years)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability	\$ 1,129,718	\$ 1,061,908	\$ 1,108,548	\$ 1,172,314	\$ 1,195,062	\$ 1,259,574	\$ 1,283,547	\$ 1,348,011	\$ 1,369,293	\$ 1,418,911
Plan Fiduciary Net Position	(948,245)	(996,532)	(998,680)	(1,030,989)	(1,118,250)	(1,062,891)	(1,156,131)	(1,250,313)	(1,371,756)	(1,199,013)
Net Pension Liability/(Asset)	<u>\$ 181,473</u>	<u>\$ 65,376</u>	<u>\$ 109,868</u>	<u>\$ 141,325</u>	<u>\$ 76,812</u>	<u>\$ 196,683</u>	<u>\$ 127,416</u>	<u>\$ 97,698</u>	<u>\$ (2,463)</u>	<u>\$ 219,898</u>
Plan Fiduciary Net Position as a % of Total Pension Liability/(Asset)	<u>83.94%</u>	<u>93.84%</u>	<u>90.09%</u>	<u>87.94%</u>	<u>93.57%</u>	<u>84.38%</u>	<u>90.07%</u>	<u>92.75%</u>	<u>100.18%</u>	<u>84.50%</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



**RATTLESNAKE FIRE PROTECTION DISTRICT  
FIRE AND POLICE ASSOCIATION STATEWIDE DEFINED BENEFIT PLAN  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)  
DECEMBER 31, 2023**

	(Last 10 Years)									
<b>Fiscal yearend reporting period ending December 31,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Measurement period ending December 31,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
District's Proportion of the Net Pension Liability/(Asset)	0.0801545%	0.6965389%	0.3145975%	0.2774978%	0.2979179%	0.3328392%	0.3298032%	0.0199166%	0.0201662%	0.0203063%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ 71,146	\$ (377,478)	\$ (68,299)	\$ (15,694)	\$ 37,665	\$ (47,884)	\$ 11,917	\$ (351)	\$ (22,759)	\$ (18,158)
District's Covered Payroll	\$ 706,936	\$ 560,731	\$ 252,684	\$ 204,526	\$ 199,555	\$ 194,686	\$ 168,780	\$ 96,550	\$ 90,686	\$ 88,196
Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	-10.1%	67.3%	27.0%	7.7%	-18.9%	24.6%	-7.1%	0.4%	25.1%	20.6%
Calculation of Collective Net Pension Liability/(Asset):										
Total Pension Liability	\$ 3,752,109,029	\$ 3,352,605,624	\$ 3,230,485,701	\$ 2,919,378,738	\$ 2,653,120,261	\$ 2,269,410,684	\$ 2,021,526,883	\$ 1,846,961,999	\$ 1,652,901,084	\$ 1,533,631,141
Plan Fiduciary Net Position	3,663,348,061	3,894,539,387	3,447,586,098	2,975,935,079	2,526,692,808	2,413,276,447	1,985,393,043	1,848,724,853	1,765,758,630	1,623,049,809
Net Pension Liability/(Asset)	<u>\$ 88,760,968</u>	<u>\$ (541,933,763)</u>	<u>\$ (217,100,397)</u>	<u>\$ (56,556,341)</u>	<u>\$ 126,427,453</u>	<u>\$ (143,865,763)</u>	<u>\$ 36,133,840</u>	<u>\$ (1,762,854)</u>	<u>\$ (112,857,546)</u>	<u>\$ (89,418,668)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

**RATTLESNAKE FIRE PROTECTION DISTRICT  
FIRE AND POLICE ASSOCIATION STATEWIDE DEFINED BENEFIT PLAN  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
DECEMBER 31, 2023**

(Last 10 Fiscal Years)

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 76,156	\$ 62,762	\$ 47,662	\$ 20,215	\$ 16,362	\$ 15,965	\$ 15,575	\$ 13,503	\$ 7,724	\$ 7,255
Contributions in Relation to the Contractually Required Contribution	<u>(76,156)</u>	<u>(62,762)</u>	<u>(47,662)</u>	<u>(20,215)</u>	<u>(16,362)</u>	<u>(15,965)</u>	<u>(15,575)</u>	<u>(13,503)</u>	<u>(7,724)</u>	<u>(7,255)</u>
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 794,148	\$ 706,936	\$ 560,731	\$ 252,684	\$ 204,526	\$ 199,555	\$ 194,686	\$ 168,780	\$ 96,550	\$ 90,686
Contributions as a Percentage of Covered Payroll	9.6%	8.9%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%