



**Summit Fire & EMS  
Fire Protection  
District**

*Financial Statements and  
Supplementary Information*

*For the Year Ended  
December 31, 2022*

# Summit Fire & EMS Fire Protection District

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Summit Fire and EMS Fire Protection District  
Silverthorne, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Summit Fire and EMS Fire Protection District (“the District”), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof 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 (GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS, 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.

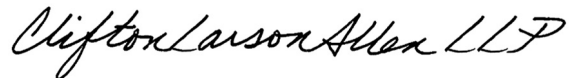
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule of the General Fund, the schedule of changes in net pension liability/(asset) for the Volunteer Firefighters' Pension plan, Schedule of Contributions for the Volunteer Firefighters' Pension Plan, schedule of the District's proportionate share of the net pension liability/(asset) for cost-sharing defined benefit plans, and the schedule of contributions for cost-sharing defined benefit plans 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 GAAS, 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule for the Snake River Fleet Services Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule for the Snake River Fleet Services Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
May 17, 2023

## **Summit Fire & EMS Fire Protection District**

Management's Discussion and Analysis  
December 31, 2022

As management of the Summit Fire & EMS Fire Protection District, (the "District"), we offer to readers of the District's financial statements with the Independent Auditor's report, this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2022.

### **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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains required and other supplementary information in addition to the basic financial statements. These components are discussed below.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with an overview of the District's finances, from both a short-term fund perspective and a long-term economic perspective.

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

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

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

The District's government-wide financial statements can be found on pages 13 to 14 of this report directly following the management discussion and analysis.

**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 uses fund accounting to ensure and demonstrate compliance with legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

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 District's near term financing decisions. The governmental fund statement of revenues, expenditures and changes 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. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for all major funds.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 to 18 of this report.

***Proprietary Funds.*** The District maintains one proprietary fund, an enterprise fund to report the same functions presented as business-type activities in the government-wide financial statements. The District uses this fund to account for the Snake River Fleet Services Fund. The proprietary fund provides the same type of information as the business-type activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 19 to 21 of this report.

**Notes to the Financial Statements:** The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found on pages 22 to 47 of this report.

**Required Supplementary Information:** The required supplementary information includes required information concerning the District's budgetary schedule for the General Fund. Required supplementary information can be found on pages 49 to 53 of this report.

**Other Supplementary Information:** In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information, a budgetary comparison schedule for the Snake River fleet Services Fund, which can be found on page 60 of this report.

## Financial Analysis of the District

### Summit Fire & EMS Fire Protection District's Net Position

<b>Assets:</b>						
Current and other	\$ 45,287,421	\$ 35,896,734	\$ 135,368	\$ 131,974	\$ 45,422,789	\$ 36,028,708
Due from Summit Fire & EMS	-	-	12,611	30,686	12,611	30,686
Capital assets	10,835,294	10,920,148	22,882	24,812	10,858,176	10,944,960
Net pension asset	3,918,426	1,722,552	-	-	3,918,426	1,722,552
<b>Total assets</b>	<b>60,041,141</b>	<b>48,539,434</b>	<b>170,861</b>	<b>187,472</b>	<b>60,212,002</b>	<b>48,726,906</b>
<b>Deferred outflows of resources-</b>						
<b>pensions</b>	<b>2,352,310</b>	<b>2,618,775</b>	<b>-</b>	<b>-</b>	<b>2,352,310</b>	<b>2,618,775</b>
<b>Liabilities:</b>						
Current liabilities	93,152	210,838	8,327	32,681	101,479	243,519
Long-term liabilities	967,036	888,039	13,202	16,274	980,238	904,313
Due to Fleet Service Fund	12,611	-	-	-	12,611	-
Due to Summit Fire & EMS	-	-	22,870	23,020	22,870	23,020
Net pension liability	216,743	652,691	-	-	216,743	652,691
<b>Total liabilities</b>	<b>1,289,542</b>	<b>1,751,568</b>	<b>44,399</b>	<b>71,975</b>	<b>1,333,941</b>	<b>1,823,543</b>
<b>Deferred inflows of resources:</b>						
Deferred revenue- property taxes	17,194,317	16,758,222	-	-	17,194,317	16,758,222
Deferred inflow pensions	2,963,063	1,654,508	-	-	2,963,063	1,654,508
<b>Total deferred inflows of resources</b>	<b>20,157,380</b>	<b>18,412,730</b>	<b>-</b>	<b>-</b>	<b>20,157,380</b>	<b>18,412,730</b>
<b>Net position:</b>						
Investment in capital assets	10,835,294	10,920,148	22,882	24,812	10,858,176	10,944,960
Restricted	4,671,951	2,290,076	-	-	4,671,951	2,290,076
Unrestricted	25,007,333	17,783,687	112,339	83,020	25,119,672	17,866,707
<b>Total net position</b>	<b>\$ 40,514,578</b>	<b>\$ 30,993,911</b>	<b>\$ 135,221</b>	<b>\$ 107,832</b>	<b>\$ 40,649,799</b>	<b>\$ 31,101,743</b>

At December 31, 2022, approximately 27% of the District's net position reflects its investment in capital assets, which includes land, fire stations, vehicles, and equipment. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

A portion of the District's net position, approximately 30%, represents resources that are subject to Colorado Constitutional restrictions, donor restrictions and pension restrictions. The remaining unrestricted funds of \$18,969,082 may be used to meet the District's ongoing obligations.

At the end of the current fiscal year, the District is able to report positive balance of net position for the governmental type activities.

Overall, the District's net position increased \$9,520,667 from the prior year. The increase is due mainly to the increase in investments due to property taxes. See below for more information.



## Financial Analysis of the District (continued)

### Summit Fire & EMS Fire Protection District's Change in Net Position

	Governmental Activities		Business-type		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
<b>Program revenues:</b>						
EMS services	\$ 1,964,777	\$ 2,004,689	\$ -	\$ -	\$ 1,964,777	\$ 2,004,689
State and federal Wildland response	378,858	535,521	-	-	378,858	535,521
Intergovernmental contracts	2,498,306	3,550,394	-	-	2,498,306	3,550,394
Grants	52,819	23,929	-	-	52,819	23,929
Inspection plan review fees	1,291,273	1,174,404	-	-	1,291,273	1,174,404
Charges for service-Snake River	-	-	497,694	389,561	497,694	389,561
Fleet Services	-	-	-	-	-	-
<b>General revenues:</b>						
Property taxes	16,411,633	10,438,857	-	-	16,411,633	10,438,857
Specific ownership taxes	803,419	557,388	-	-	803,419	557,388
Investment earnings	387,904	35,869	-	-	387,904	35,869
Gain (loss) on sale of capital assets	54,681	17,001	-	-	54,681	17,001
Miscellaneous	88,002	132,812	-	-	88,002	132,812
<b>Total revenues</b>	<b>23,931,672</b>	<b>18,470,864</b>	<b>497,694</b>	<b>389,561</b>	<b>24,429,366</b>	<b>18,860,425</b>
<b>Expenses:</b>						
<b>Operating expenses:</b>						
Firefighters	6,688,482	6,777,396	-	-	6,688,482	6,777,396
EMS	4,243,408	4,006,985	-	-	4,243,408	4,006,985
Administration	1,391,203	1,137,860	-	-	1,391,203	1,137,860
Community Risk Division	517,271	452,039	-	-	517,271	452,039
Admin support services	396,005	476,054	-	-	396,005	476,054
Station and grounds	429,512	410,124	-	-	429,512	410,124
Apparatus	343,023	268,611	-	-	343,023	268,611
Volunteers	-	1,453	-	-	-	1,453
Wildland	402,101	310,202	-	-	402,101	310,202
Snake River Fleet Services	-	-	470,304	394,207	470,304	394,207
<b>Total expenses</b>	<b>14,411,005</b>	<b>13,840,724</b>	<b>470,304</b>	<b>394,207</b>	<b>14,881,309</b>	<b>14,234,931</b>
<b>Change in net position</b>	<b>9,520,667</b>	<b>4,630,140</b>	<b>27,390</b>	<b>(4,646)</b>	<b>9,548,057</b>	<b>4,625,494</b>
<b>Net position - beginning</b>	<b>30,993,911</b>	<b>26,363,771</b>	<b>107,831</b>	<b>112,477</b>	<b>31,101,742</b>	<b>26,476,248</b>
<b>Net position - ending</b>	<b>\$ 40,514,578</b>	<b>\$ 30,993,911</b>	<b>\$ 135,221</b>	<b>\$ 107,831</b>	<b>\$ 40,649,799</b>	<b>\$ 31,101,742</b>

**Governmental activities:** Governmental activities increased the District's net position by \$9,520,667. The most significant source of revenue of the District is property taxes, accounting for approximately 69% of total 2022 revenues.

When compared to 2021, revenues increased by \$5,460,808 in 2022, mainly due to the increase in property tax revenue.

**Business activities:** Business-type activities increased the District's net position by \$27,390. The revenue is dependent on the actual maintenance required on the vehicles served.

**Governmental funds:** The general fund is the chief operating fund of the District. At the end of 2022, unassigned fund balance of the general fund was \$15,352,437, while total fund balance was \$27,144,213. The increase in fund balance from the prior year was the result of the District's ability to maintain expenditures at or below budget which increased the cash and investment balances as well as the increase in property tax revenue.

## General Fund Budgetary Highlights

Significant budget variances were as follows:

Account	Final Budget	Actual Amount	Variance Positive (Negative)	Description
Property tax receipts	16,758,222	16,411,633	(346,589)	The property tax revenue was reduced for the TIFs by the Towns of Dillon and Silverthorne instead of expensed as in previous years.
Specific ownership tax	350,000	803,419	453,419	The specific ownership tax increase is due to the increase of taxes received by the State of Colorado on motor vehicles and other moveable equipment. This is allocated to the District based on the percentage of property tax receipts to overall property tax for Summit County.
EMS services	3,094,698	1,964,777	(1,129,921)	The EMS services revenue was budgeted for a historical average of out of county transports. The District decided to decrease these so there was always a presence in the District to take care of 911 and in county transports as needed thus reducing revenue.
Earnings on investments	46,795	375,313	328,518	The earnings on investments was budgeted based in the decrease in investment returns which the District did not see.

Account	Final Budget	Actual Amount	Variance Positive (Negative)	Description
Inspection and plan review fees	360,000	1,513,505	(1,153,505)	In 2022, the community risk division conducted 924 inspections for new construction and safety systems, issued 229 wildfire-mitigation permits, approved 432 fire-pit permits, performed 412 annual fire-safety inspections. It was a record year for the division that was not budgeted for.
Firefighter salaries	4,669,379	4,220,190	449,189	SFE changed the way the firefighter salaries are allocated between the firefighting department and the EMS department. When a firefighter works on a medic unit, that portion of their salaries and benefits are charged to the EMS department.
EMS total operations	4,419,389	4,267,126	152,263	The variance pertains mostly to the allocated expenses charged to the EMS department from our other departments. This allows SFE to codify the true expense of EMS operations.
Administration total operations	1,642,351	1,362,592	279,759	SFE changed the way the Tax Incremental Funding expenses deducted from the Property Taxes received from the Towns of Dillon and Silverthorne are posted on the Financial Statement. The TIFs are now posted as a reduction of Property Tax revenue.
Admin Support total operations	590,533	427,987	162,546	The Admin Support department had savings in the salaries and benefit lines due to not filling the IT Manager position after the past employee left. SFE has decided to work with an IT contractor.

			Positive (Negative)	
Wildland total operations	180,131	404,124	(223,993)	SFE launched a new Wildland program supported by a Wildland Coordinator and two Wildland Specialists to address SFE's greatest risk for the District. The program was not fully budgeted to bring on the specialists in 2022, however, the Board approved moving forward sooner thus the expenses were greater than the budgeted amount.
Capital expenditures	1,292,774	709,288	583,486	SFE did not move forward with all of the capital items in 2022.

### Capital Assets

**Capital assets:** The District's capital assets, net of accumulated depreciation, decreased \$84,854 in 2022. The decrease was the result of depreciation expense exceeding capital additions.

Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements starting on page 22.

### Next Year's Budget

The District's General Fund balance at the end of the 2022 fiscal year totaled \$27,144,213. The board of directors is anticipating an ending fund balance of approximately \$20,532,409 in the adopted District's 2023 General Fund budget.

### Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Summit Fire & EMS Fire Protection District, P.O. Box 4910, Frisco, CO 80443.

## **Basic Financial Statements**

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# Summit Fire & EMS Fire Protection District

## Statement of Net Position December 31, 2022

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 24,681,367	\$ 134,844	\$ 24,816,211
Receivables:			
Accounts receivable, net	653,015	10,783	663,798
Lease receivable, net	444,562		
Property taxes receivable	17,194,317		17,194,317
Prepaid items	447,780		
Internal balances	10,259	(10,259)	-
Due from Summit County	1,856,121	-	1,856,121
Capital assets:			
Not being depreciated	837,500	-	837,500
Being depreciated, net	9,997,794	22,882	10,020,676
Net pension asset	3,918,426	-	3,918,426
<b>Total assets</b>	<b>60,041,141</b>	<b>158,250</b>	<b>59,307,049</b>
<b>Deferred outflows of resources</b>			
Deferred outflows of resources relating to pensions	2,352,310	-	2,352,310
<b>Liabilities</b>			
Accounts payable	93,152	8,327	101,479
Accrued liabilities	276,177	-	276,177
Accrued compensated absences	690,859	13,202	
Noncurrent liabilities:			
Net Pension Liability	216,743	-	216,743
<b>Total liabilities</b>	<b>1,276,931</b>	<b>21,529</b>	<b>594,399</b>
<b>Deferred inflows of resources</b>			
Taxes Levied for subsequent year	17,194,317	-	17,194,317
Leases	444,562		
Deferred inflows of resources relating to pensions	2,963,063	-	2,963,063
<b>Total deferred inflows of resources</b>	<b>20,601,942</b>	<b>-</b>	<b>20,157,380</b>
<b>Net position</b>			
Investment in capital assets	10,835,294	22,882	10,858,176
Restricted for:			
Emergencies	724,617	-	724,617
Donors	28,908	-	28,908
Pensions	3,918,426	-	3,918,426
Unrestricted	25,007,333	112,339	25,119,672
<b>Total net position</b>	<b>\$ 40,514,578</b>	<b>\$ 135,221</b>	<b>\$ 40,649,799</b>

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

# Summit Fire & EMS Fire Protection District

## Statement of Activities

Year Ended December 31, 2022

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Firefighters	\$ 6,688,482	\$ -	\$ 52,819	\$ -	\$ (6,635,663)	\$ -	\$ (6,635,663)
EMS Operations	4,243,408	1,964,777	2,498,306	-	219,675	-	219,675
Administration	1,391,203	55,888	-	-	(1,335,315)	-	(1,335,315)
Community risk division	517,271	1,291,273	-	-	774,002	-	774,002
Admin Support services	396,005	-	-	-	(396,005)	-	(396,005)
Stations and grounds	429,512	-	-	-	(429,512)	-	(429,512)
Apparatus	343,023	-	-	-	(343,023)	-	(343,023)
Wildland	402,101	378,858	-	-	(23,243)	-	(23,243)
<b>Total governmental activities</b>	<b>14,411,005</b>	<b>3,690,796</b>	<b>2,551,125</b>	<b>-</b>	<b>(8,169,084)</b>	<b>-</b>	<b>(8,169,084)</b>
<b>Business-type activities:</b>							
Snake River Fleet Services	470,304	497,694	-	-	-	27,390	27,390
<b>Total business-type activities</b>	<b>470,304</b>	<b>497,694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,390</b>	<b>27,390</b>
<b>Total primary government</b>	<b>\$ 14,881,309</b>	<b>\$ 4,188,490</b>	<b>\$ 2,551,125</b>	<b>\$ -</b>	<b>(8,169,084)</b>	<b>27,390</b>	<b>(8,141,694)</b>
<b>General revenues</b>							
Taxes:							
Property taxes					16,411,633		16,411,633
Specific ownership taxes					803,419		803,419
Earnings on investments					387,904	-	387,904
Miscellaneous revenue					32,114	-	32,114
Gain on disposal of capital assets					54,681	-	54,681
<b>Total general revenues</b>					<b>17,689,751</b>	<b>-</b>	<b>17,689,751</b>
<b>Changes in net position</b>					<b>9,520,667</b>	<b>27,390</b>	<b>9,548,057</b>
<b>Net position at beginning of year</b>					<b>30,993,911</b>	<b>107,831</b>	<b>31,101,742</b>
<b>Net position at end of year</b>					<b>\$ 40,514,578</b>	<b>\$ 135,221</b>	<b>\$ 40,649,799</b>

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

# Summit Fire & EMS Fire Protection District

## Balance Sheet

### General Fund

December 31, 2022

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<b>Assets</b>	
Cash, cash equivalents and investments	\$ 24,681,367
Due from Summit County	1,856,121
Accounts receivables, net	653,015
Lease Receivable	444,562
Prepaid Expense	447,780
Due from Snake River Fleet Services Fund	22,870
Property tax receivable	17,194,317
<b>Total assets</b>	<b>\$ 45,300,032</b>

---

<b>Liabilities, deferred inflows of resources and fund balance</b>	
<b>Liabilities</b>	
Accounts payable	\$ 93,152
Accrued liabilities	276,177
Due to Snake River Fleet Services Fund	12,611
<b>Total liabilities</b>	<b>381,940</b>
<b>Deferred inflows of resources</b>	
Unavailable revenue	\$ 135,000
Leases	444,562
Taxes levied for subsequent year	17,194,317
<b>Total deferred inflows of resources</b>	<b>\$ 17,773,879</b>
<b>Fund balance</b>	
Restricted for emergencies	724,617
Restricted by donors	28,908
Committed	6,038,251
Assigned for Silverthorne Fire Station	5,000,000
Unassigned	15,352,437
<b>Total fund balance</b>	<b>27,144,213</b>
<b>Total liabilities and fund balance</b>	<b>\$ 45,300,032</b>

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



**Summit Fire & EMS Fire Protection District**  
**Reconciliation of the General Fund Balance Sheet**  
**with the Government-wide Statement of Net Position**  
**December 31, 2022**

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

Total fund balance - General Fund		\$ 27,144,213
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported as assets in the governmental fund financial statements.

Capital assets	\$ 20,165,400	
Accumulated depreciation	<u>(9,330,106)</u>	10,835,294

Pension asset, liability and related deferred inflows and deferred outflows of resources are not current financial resources or obligations and, therefore, are not reported in the fund financial statements.

Net pension asset	\$ 3,918,426	
Net pension liability	(216,743)	
Deferred outflows of resources relating to pensions	2,352,310	
Deferred inflows of resources relating to pensions	<u>(2,963,063)</u>	3,090,930

Revenues unavailable in the governmental funds because they are not current financial resources that are accrued under the economic resources basis of accounting.	135,000
--	---------

Accrued compensated absences payable are not due and payable from current financial resources and, therefore, are not reported as liabilities in the fund financial statements.	<u>(690,859)</u>
---	------------------

<b>Total net position - governmental activities</b>	<b>\$ 40,514,578</b>
---	----------------------

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

# Summit Fire & EMS Fire Protection District

## Statement of Revenues, Expenditures and Changes in Fund Balance General Fund

Year Ended December 31, 2022

<b>Revenues</b>	
Property taxes	\$ 16,411,633
Specific ownership tax	803,419
EMS services	1,964,777
Earnings on investments	387,904
Inspection and plan review fees	1,513,505
Grants	52,819
Intergovernmental	2,498,306
Out of district response	27,404
Rental Income	2,300
Lease Income	26,184
State and federal wildland response	378,858
Miscellaneous revenue	32,114
<b>Total revenues</b>	<b>24,099,223</b>
<b>Expenditures</b>	
Current:	
Firefighters	7,213,970
EMS Operations	4,267,126
Administration	1,362,592
Community risk division	550,343
Admin support services	427,987
Stations and grounds	185,838
Wildland	404,124
Apparatus	343,023
Capital outlay	709,288
<b>Total expenditures</b>	<b>15,464,291</b>
<b>Excess of revenues over expenditures</b>	<b>8,634,932</b>
<b>Other financing sources</b>	
Proceeds from sale of capital assets	54,681
<b>Total other financing sources</b>	<b>54,681</b>
<b>Change in fund balance</b>	<b>8,689,613</b>
<b>Fund balance at beginning of year</b>	<b>18,454,600</b>
<b>Fund balance at end of year</b>	<b>\$ 27,144,213</b>

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

## Summit Fire & EMS Fire Protection District

### Reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-wide Statement of Activities

**Year Ended December 31, 2022**

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

Change in fund balance - governmental funds	\$	8,689,613
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Capital outlay to purchase capital assets that are not depreciated are reported in governmental funds as expenditures. However, for governmental activities, these costs are capitalized on the statement of net position and depreciated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount of capital outlay exceeded depreciation during the period.

Depreciation expense	\$	(724,055)	
Capital outlay		639,201	(84,854)

Decrease in accrued compensated absences is shown as an expense on the government-wide financial statements and not reflected in the governmental fund financial statements.		81,338
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Revenues unavailable in the governmental funds because they are not current financial resources that are accrued under the economic resources basis of accounting.		(222,232)
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Pension expense relating to the District's changes in pension related account balances is recognized on the statement of activities and not included in the fund financial statements.		1,056,802
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<b>Change in net position - governmental activities</b>	<b>\$</b>	<b>9,520,667</b>
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*The accompanying notes are an integral part of these financial statements.*

# Summit Fire & EMS Fire Protection District

## Statement of Net Position Proprietary Fund

December 31, 2022

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	Snake River Fleet Services Fund
<b>Assets</b>	
<b>Current assets:</b>	
Cash, cash equivalents and investments	\$ 134,844
Accounts receivable	10,783
Due From Summit Fire & EMS	12,611
<b>Total current assets</b>	<b>158,238</b>
<b>Noncurrent assets:</b>	
Capital assets:	
Vehicles and equipment	90,437
Less: accumulated depreciation	(67,555)
<b>Total noncurrent assets</b>	<b>22,882</b>
<b>Total assets</b>	<b>181,120</b>
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Accounts payable	8,327
Due to Summit Fire & EMS	22,870
Compensated absences	3,301
Other Current Liabilities	1,500
<b>Noncurrent liabilities:</b>	
Compensated absences	9,902
<b>Total liabilities</b>	<b>45,899</b>
<b>Net position</b>	
Investment in capital assets	22,882
Unrestricted	112,339
<b>Total net position</b>	<b>\$ 135,221</b>

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

**Summit Fire & EMS Fire Protection District**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**Proprietary Fund**  
**Year Ended December 31, 2022**

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	Snake River Fleet Services Fund
<b>Operating revenues</b>	
Charges for parts and services:	
Lake Dillon Fire Protection District	\$ 268,155
Red, White & Blue Fire Protection District	204,514
Summit Fire Authority	6,180
Other	18,845
Total operating revenues	497,694
<b>Operating expenses</b>	
Salaries and administrative overhead	177,270
Benefits	26,534
Payroll taxes	2,390
Workers compensation	1,652
Pension	16,874
Vehicle parts	207,902
Service vehicle	4,801
Insurance	5,489
Supplies	3,186
IT Software & Hardware	9,627
Utilities	3,407
Tools and equipment	2,797
Training	1,992
Telephone	1,146
Dues and subscriptions	35
Depreciation expense	5,202
Total operating expenses	470,304
<b>Change in net position</b>	<b>27,390</b>
<b>Net position at beginning of year</b>	<b>107,831</b>
<b>Net position at end of year</b>	<b>\$ 135,221</b>

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

# Summit Fire & EMS Fire Protection District

## Statement of Cash Flows Proprietary Fund

Year Ended December 31, 2022

	Snake River Fleet Services Fund
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 496,770
Cash received from interfund services provided	17,925
Cash paid to suppliers	(264,515)
Cash paid to employees	(229,785)
Net cash flows from operating activities	20,395
<b>Net change in cash and cash equivalents</b>	<b>20,395</b>
Cash and cash equivalents at beginning of year	114,449
<b>Cash and cash equivalents at end of year</b>	<b>\$ 134,844</b>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>	
Operating income	\$ 27,390
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation	1,930
Changes in operating assets and liabilities:	
Receivables	(924)
Due to/from other funds	17,925
Accounts payable	(22,854)
Compensated absences	(3,072)
<b>Net cash flows from operating activities</b>	<b>\$ 20,395</b>

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

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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### 1. Summary of Significant Accounting Policies

#### *Form of Organization*

The Summit Fire & EMS Fire Protection District (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide fire protection within the towns of Dillon, Silverthorne, Frisco, Montezuma, and unincorporated areas such as Dillon Valley, Keystone, Summit Cove, and Copper Mountain Colorado.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

#### *Reporting Entity*

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the District’s fleet service function and other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balance presents increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby 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. Revenue from government grants are deemed to be earned when the District incurs expenditures which satisfy the terms imposed by the respective grant contracts. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

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

The District reports the following governmental fund:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund. This is a major fund of the District.

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

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are due on the last day of February and June 15.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions



# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for services and parts. Operating expenses for the proprietary fund include the cost of operations and maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the primary intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The District reports the following major enterprise fund:

Snake River Fleet Services Fund - The Snake River Fleet Services Fund accounts for revenues and expenses associated with the maintenance of the District's and other fire Districts' vehicles and apparatus.

### **Budgets**

The following table summarizes the individual fund budgeted expenditures, as originally adopted and as revised:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General Fund	\$ 20,698,508	\$ -	\$ 20,698,508
Proprietary fund:			
Snake River Fleet Services Fund	423,969	-	423,969
Total	\$ 21,122,477	\$ -	\$ 21,122,477

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and demand deposits. All cash equivalents have an original maturity date of less than three months.

### **Investments**

Investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, based on quoted market values, with the exception of certain local government investment pools. These are stated at net asset value or amortized cost.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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### *Receivables*

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied on December 31, 2022, are identified as property taxes receivable and deferred inflows of resources. Accounts Receivable for total outstanding ambulance billings are recorded net of an allowance for amounts deemed uncollectible based upon the age of the account.

### *Due from Summit County*

As detailed in Note 2, Summit County transferred the operations of its ambulance services to the District effective January 1, 2020. Ambulance funding that was approved by the tax voters in Summit County Ballot Issue 1A in 2014 will be contributed to the District in calendar years 2020 through 2022. The County maintains a reserve balance relating to the 1A funding, which will be held by the County until April 15, 2023 as a cash performance bond.

### *Capital Assets*

Capital assets, which include land, buildings and improvements, equipment, and vehicles, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District will be depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Land	N/A
Buildings	40 years
Building improvements	40 years
Vehicles (excluding fire equipment)	3-10 years
Fire vehicles and equipment	15-20 years
Other equipment	3-20 years

### *Interfund Transactions*

Activity between funds that represent outstanding balances between funds are reported as “due to/from other funds”. The outstanding balances between the funds result mainly from the time lag between the dates that (1) the interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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### ***Compensated Absences***

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. The District permits employees to accumulate earned but unused vacation, sick time, subject to certain limits in amounts. Sick time is paid out at one third of total accrued upon separation of services. Accumulated, unpaid time is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### ***Long-Term Obligations***

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

### ***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 represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for pension-related amounts. See Note 8 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District reports a deferred inflow of resource relating to pension-related amounts as well as unavailable revenue. See Note 8 for additional information.

### ***Fund Balance and Net Position***

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

***Net Investment in Capital Assets*** - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

***Restricted Net Position*** - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

***Unrestricted Net Position*** - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

***Nonspendable*** - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

***Restricted*** - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

***Committed*** - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the "Board"). The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

***Assigned*** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Fire Chief and the Board has the District to assign amounts for specific purposes.

***Unassigned*** - all other spendable amounts. Only the General Fund reports a positive unassigned fund balance.

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

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

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources is recognized as revenue and the receivable is reduced.

### ***Pensions***

The District contributes to the Statewide Defined Benefit Plan ("SWDB") and the Statewide Hybrid Plan ("SWH"). Both plans are cost-sharing multiple-employer defined benefit pension plans administered by the Fire and Police Pension Association of Colorado ("FPPA"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SWDB and SWH plans and additions to/deductions from the SWDB and SWH plans fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by FPPA are reported at fair value.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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### **Leases:**

The District determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position. Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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

Lease receivables represent the present value of future lease payments where the District is the lessor. Interest income is recognized by the District as revenue ratably over the contract term. Lease revenue is recognized by the District through amortization of a deferred inflow of resources in a systematic and rational manner over the lease term.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the District has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

### **Estimates**

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

## **2. Cash, Cash Equivalents and Investments**

The following is a summary of cash, cash equivalents and investments as of December 31, 2022:

Deposits with financial institutions	\$ 948,791
Investments	23,867,420
<b>Total</b>	<b>\$ 24,816,211</b>

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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The amounts are classified in the statement of net position is as follows:

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Cash, cash equivalents and investments:	
Governmental activities	\$ 24,681,367
Business-type activities	134,844
	<hr/>
	\$ 24,816,211

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### ***Custodial Credit Risk - Deposits***

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2022, the District had deposits with financial institutions of \$948,791. The bank balances with the financial institutions were \$1,222,469, of which \$250,000 was covered by federal depository insurance. The remaining balance of \$972,469 was collateralized with securities held by the financial institutions' agents but not in the District's name.

### ***Investments***

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

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District's policy is to hold investments until maturity.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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At December 31, 2022, the District had the following investments:

	S&P Rating	Value	Weighted Ave. Maturity Date (in days)	Concentration of Credit Risk
ColoTrust	AAAm	\$ 21,813,880	N/A	91.40%
Mutual funds	NR	6,405	N/A	0.03%
Certificates of deposits	NR	1,561,592	647	6.54%
FHLMC	AA+	485,543	153	2.03%
		\$ 23,867,420		

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### **Local Government Investment Pools - COLOTRUST**

At December 31, 2022, the District had invested \$21,887,564 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. The District participates in the COLOTRUST PLUS+ which can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value ("NAV"). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2022, the District had no investments exposed to custodial credit risk.

### **Interest Rate Risk**

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates. The District limits its investments to savings accounts, certificates of deposits, and investment pools where each share is equal to one dollar, thus the District avoids interest rate risk. The District also holds U.S Government fixed income securities with maturities five years and under in compliance with Colorado Revised Statutes. At December 31, 2022, all U.S. Government fixed income securities mature in 1-5 years.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

### 3. Capital Assets

Governmental activities:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 837,500	\$ -	\$ -	\$ 837,500
<b>Total capital assets, not being depreciated</b>	<b>837,500</b>	<b>-</b>	<b>-</b>	<b>837,500</b>
Capital assets, being depreciated:				
Buildings and improvements	9,942,359	100,759	-	10,043,118
Vehicles and equipment	9,018,858	538,442	(272,518)	9,284,782
<b>Total capital assets, being depreciated</b>	<b>18,961,217</b>	<b>639,201</b>	<b>(272,518)</b>	<b>19,327,900</b>
Less accumulated depreciation for:				
Buildings and improvements	(3,370,828)	(243,674)		(3,614,502)
Vehicles and equipment	(5,507,741)	(480,381)	272,518	(5,715,604)
<b>Total accumulated depreciation</b>	<b>(8,878,569)</b>	<b>(724,055)</b>	<b>272,518</b>	<b>(9,330,106)</b>
<b>Total capital assets being depreciated, net</b>	<b>10,082,648</b>	<b>(84,854)</b>	<b>-</b>	<b>9,997,794</b>
<b>Governmental activities capital assets, net</b>	<b>\$10,920,148</b>	<b>\$ (84,854)</b>	<b>\$ -</b>	<b>\$10,835,294</b>

Depreciation for governmental activity capital assets has been allocated to firefighters and stations and grounds as shown below.

<b>Governmental activities</b>	
Firefighters	\$ 480,381
Stations and grounds	243,674
<b>Total depreciation expense - governmental activities</b>	<b>\$ 724,055</b>



# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

### Business-type activities

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type activities</b>				
<b>Capital assets, being depreciated:</b>				
Machinery and equipment	\$ 40,779	\$ 3,273	\$ -	\$ 44,052
Vehicles	46,385	-	-	46,385
<b>Total capital assets, being depreciated</b>	<b>87,164</b>	<b>3,273</b>	<b>-</b>	<b>90,437</b>
<b>Less accumulated depreciation for:</b>				
Machinery and equipment	(40,779)	(364)	-	(41,143)
Vehicles	(21,573)	(4,839)	-	(26,412)
<b>Total accumulated depreciation</b>	<b>(62,352)</b>	<b>(5,203)</b>	<b>-</b>	<b>(67,555)</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 24,812</b>	<b>\$ (1,930)</b>	<b>\$ -</b>	<b>\$ 22,882</b>

Depreciation for business-type activity capital assets has been allocated to the Snake River Fleet Services Fund.

## 4. Long-Term Debt

### *Governmental Activities Debt*

Following is a summary of governmental activity compensated absences and termination benefits for the year ended December 31, 2022:

	Beginning Balance	Additions	Retirements	Sick Retirements	Ending Balance	Due Within One Year
<b>Governmental activities</b>						
Compensated absences and termination benefits	\$ 772,197	\$ 690,859	\$ 607,974	\$ 164,223	\$ 690,859	\$ 69,086
<b>Total governmental activities</b>	<b>\$ 772,197</b>	<b>\$ 690,859</b>	<b>\$ 607,974</b>	<b>\$ 164,223</b>	<b>\$ 690,859</b>	<b>\$ 69,086</b>

\*Compensated absences have been adjusted for sick retirements due to the change in policy for the District whereby sick time accrued is no longer paid out upon separation.

Following is a summary of business-type activity compensated absences and termination benefits for the year ended December 31, 2022:

	Beginning Balance	Additions	Retirements	Sick Retirements	Ending Balance	Due Within One Year
<b>Business-type activities</b>						
Compensated absences and termination benefits	\$ 16,274	\$ 13,202	\$ 11,831	\$ 4,444	\$ 13,202	\$ 3,301
<b>Total business-type activities</b>	<b>\$ 16,274</b>	<b>\$ 13,202</b>	<b>\$ 11,831</b>	<b>\$ 4,444</b>	<b>\$ 13,202</b>	<b>\$ 3,301</b>

\*Compensated absences have been adjusted for sick retirements due to the change in policy for the Fleet services whereby sick time accrued is no longer paid out upon separation.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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### 5. Risk Management

The District is exposed to various risks of loss related to worker's compensation; general liability; unemployment; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance covering specific and general risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

### 6. Summit County Fire Protection Authority Agreement

The Summit Fire Authority ("SFA") was officially formed on July 7, 1983, a successor to the Summit County Cooperative Fire Board Association.

The purpose of the SFA is to conduct business and affairs for the benefit of the contracting parties and their inhabitants, and to develop cooperative programs designed to improve the fire protection and related service capabilities of the contracting parties, and implement cost savings to the contracting parties through various types of resource pooling and joint purchase, use or participation arrangements.

The current contracting parties are Summit Fire & EMS Fire Protection District and Red, White & Blue Fire Protection District. The SFA is governed by a Board of Directors comprised of two representatives from the District representing two from the District and one from Red, White & Blue Fire Protection District. The Board elects its own officers from its members.

Effective November 17, 2020, the SFA entered into an agreement titled the "First Amendment to Agreement Governing the Summit County Fire Protection Authority" (the "Agreement"). The Agreement was modified with the purpose of updating the contracting parties. This Agreement modified the original agreement establishing the Summit Fire Authority.

On an annual basis, the SFA shall assess to each contracting party a fixed fee to cover the administrative and other operational expense of the SFA. The District may withdraw from the SFA for the following year by giving appropriate notice during the period June 1 through July 15 of any year. Upon withdrawal, the District would have no equity in the SFA's assets. However, the District could be held liable for its share of any liabilities incurred during the period it was a participant.

Upon termination of the Agreement and the dissolution of the SFA, all assets of the SFA shall immediately vest to the contracting parties subject to any outstanding liens, mortgages or other pledges of such assets. This distribution shall be in proportion to each contracting party's percentage of the total amount paid to the SFA. However, the contracting parties may upon unanimous agreement dispose of any and all interests of the SFA to any successors to the District or for any alternate disposition among the contracting parties.

The SFA paid \$1,303 to the District in 2022 for fleet parts and services. In addition, the District paid \$381,958 to the SFA for High Country Training Center, hazmat, outside training services, and a capital project.

The audited financial statements of the SFA may be obtained by calling the SFA's main office at (970) 668-4330.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

### 7. Lessor Information

A lease is defined as a contract that conveys control of the right to use an entity’s asset for a period of time for a sum of money. The District operates as Lessor in two leases that met the new GASB 87 reporting threshold. Below is a table outlining the two leases that are reported in the government financial statements:

Name of Lease	Description	As of 12/31/2022	
		Lease Revenue	Interest Revenue
Verizon - Cell Tower at Station 12	This land lease agreement was made beginning July 9, 2015, and amended February 19, 2016, whereby the District leases a portion of Station 12 to Verizon Wireless for a cell tower site. The District receives a monthly lease payment which is increased 3% each year in May. The lease is automatically extended for four (4) additional five (5) year terms. Only the lessee can terminate this agreement.	\$ 10,361	\$ 9,734
US Dept of Agriculture - Forest Services	This lease agreement was made beginning December 4, 2017 and amended August 1, 2021, whereby the Forest Service leases 1,715 square feet at Station 14 in Wildernest to house their vehicles and utilize an office. The District receives a monthly lease payment which is increased by 3% each year in October. The lease terms on September 30, 2027. Only the lessee can terminate this agreement.	\$ 15,823	\$ 2,586

### 8. Volunteer Firefighters’ Pension Plan

*Plan description.* The District established the Volunteer Firefighters’ Pension Plan (the “Plan”), an agent multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). As of January 1, 2022, the Plan had 52 retirees and beneficiaries and no current members. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA’s website at [www.fppaco.org](http://www.fppaco.org).

*Benefits provided.* The Plan provides for a monthly pension of \$1,000 for volunteers who have satisfied the normal age and service requirements and pro rata pension for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and a service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. The plan also provides a funeral benefit, lump sum one-time only payment of \$2,000.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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*Funding policy.* The Plan normally receives cash contributions from the District, but in 2022, the District did not contribute due to the strong ending balance in the fund. As established by the legislature, the State of Colorado also contributes to the plan when the District contributes. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions.

The actuarial study as of January 1, 2021, indicated that the current level of contributions to the fund is adequate to support, on an actuarially sound basis, the prospective benefits for the present Plan.

No contributions to the Plan were made from the District in 2022, but the plan received from the State of Colorado \$81,974 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported a net pension liability of \$216,743. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. This measurement date is within two years of the plan sponsor's fiscal year end of December 31, 2022 and may be used for December 31, 2022 reporting purposes. Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

For the year ended December 31, 2022, the District recognized pension income of \$181,180. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual experience pension plan investments	\$ 58,334	\$ 488,279
District contributions subsequent to measurement date	-	-
	<b>\$ 58,334</b>	<b>\$ 488,279</b>

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

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

Year Ended December 31,	Amortization
2023	\$ (101,111)
2024	(159,446)
2025	(106,053)
2026	(63,335)
2027	-
Thereafter	-
Total	\$ (429,945)

*Actuarial assumptions.* The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

7.00%; the municipal bond rate is 2.00% (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%. Projected cash flows used in determining the Single Discount Rate are available upon request.

*Long-term expected return on plan assets.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash	2.00%	2.32%
Fixed Income	10.00%	4.00%
Managed Fixtures	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Public Equity	39.00%	8.23%
Private Capital	26.00%	10.63%
Total	100.00%	

*Sensitivity of the District’s proportionate share of the net pension liability(asset) to changes in the Single Discount Rate.* The following presents the District’s proportionate share of the net pension liability/(asset) calculated using the Single Discount Rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
District’s proportionate share of the net pension liability/(asset)	\$637,382	\$216,743	\$(145,023)

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

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

Change in Net Pension Liability	Total Pension (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability a-b
Balances at December 31, 2020	\$ 4,881,810	\$ 4,229,119	\$ 652,691
Changes for the year			
Interest	326,140		326,140
Difference between expected and actual experience of Pension Liability	-		-
Changes of assumptions	-		-
Contributions - employer	-	91,082	(91,082)
Net investment income	-	602,618	(602,618)
Benefit payments	(453,000)	(453,000)	-
Administrative expenses	-	(13,586)	13,586
State of Colorado supplemental discretionary payment	-	81,974	(81,974)
Net changes	(126,860)	309,088	(435,948)
<b>Balances at December 31, 2021</b>	<b>\$ 4,754,950</b>	<b>\$ 4,538,207</b>	<b>\$ 216,743</b>

## 9. Employee Retirement Plans

### *State of Colorado Fire and Police Pension Association - Defined Benefit Plan*

*Plan Description.* The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA for firefighters hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the SWDB may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The SWDB became effective January 1, 1980. Most full-time, paid firefighters of the District are members of the SWDB, and all newly hired firefighters have to be enrolled in the SWDB plan.

The SWDB assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members). The SWDB is administered by FPPA. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

*Benefits Provided.* SWDB provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1.

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers.

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

*Contributions.* Through December 31, 2022, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 21.2 percent of pensionable earnings in 2022. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.5 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4.0 percent and 4.25 percent in 2020 and 2021, respectively. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Employer contributions are recognized by SWDB in the period in which the compensation becomes



# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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payable to the member and the District is statutorily committed to pay the contributions to SWDB. Contributions to the SWDB from the District were \$480,681 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported a net pension asset of \$3,152,419 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension asset was based on District contributions to the SWDB relative to the total contributions of participating employers to SWDB based upon the January 1, 2021 actuarial valuation. At December 31, 2021, the District's proportion was 0.5817 percent, which was an increase of .0340 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District recognized pension expense of \$342,838. At December 31, 2022, 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>
Differences between actual and expected experience	\$ 902,704	\$ 73,523
Changes of assumptions or other inputs	449,557	-
Changes to proportionate share	272,717	102,771
Net difference between projected and actual investment earnings on pension plan investments	-	2,109,776
District contributions subsequent to measurement date	480,681	-
	<b>\$ 2,105,659</b>	<b>\$ 2,286,070</b>

The \$480,681 reported as deferred outflows of resources relating to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred inflows and outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

Year Ended December 31,	Amortization
2023	\$ (250,645)
2024	(468,876)
2025	(250,298)
2026	(49,959)
2027	218,427
Thereafter	139,319
	\$ (662,032)

*Actuarial assumptions.* The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate of return	7.0%	7.0%
Projected salary increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income-Rates	10.0%	4.01%
Fixed Income-Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
<b>Total</b>	<b>100.0%</b>	

*Discount rate.* The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 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 to changes in the discount rate.* The following presents the District’s proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability/ (asset) 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:

	1.00% Decrease* (6.00%)	Current Discount Rate* (7.00%)	1.00% Increase* (8.00%)
District’s proportionate share of the net pension liability/ (asset)	\$(434,738)	\$(3,152,419)	\$(5,403,866)

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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

### ***State of Colorado Fire and Police Pension Association - Statewide Hybrid Plan***

*Plan description.* The Statewide Hybrid Plan was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

The SWH is comprised of two components: Defined Benefit and Money Purchase. The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan assets are included in the Fire & Police Members' Self-Directed Investment Fund.

The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at [www.fppaco.org](http://www.fppaco.org).

*Benefits provided.* The SWH Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement after of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the SWH Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

*Contributions.* The SWH Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of this SWH Plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. Effective July 1, 2021, the Defined Benefit Component contribution rate is set at 14.10 percent.

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employee and member contributions are invested in funds at the discretion of members.

Contributions to the SWH Plan from the District were \$36,106 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported a net pension asset of \$766,008 for its proportionate share of the net pension asset. The collective total pension liability as of December 31, 2022 is based upon the January 1, 2021 actuarial valuation. The actuarially determined contributions as of December 31, 2022 are based upon the January 1, 2021 actuarial valuation. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2021, the District's proportion was 2.0201 percent, which was an increase of .0802 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District recognized pension expense of \$16,058. At December 31, 2022, 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>
Differences between actual and expected experience	\$ 152,985	\$ -
Changes of assumptions or other inputs	18,845	-
Changes to proportionate share	38,714	30,047
earnings on pension plan investments	-	217,000
District contributions subsequent to measurement date	36,106	-
	<u>\$ 246,650</u>	<u>\$ 247,047</u>

The \$36,106 reported as deferred outflows of resources relating to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

Year Ended December 31,	Amortization
2023	\$ 22,253
2024	(8,453)
2025	(28,888)
2026	(20,146)
2027	(195)
Thereafter	(1,092)
	\$ (36,521)

*Actuarial assumptions.* The actuarial valuations for the SWH plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate of return	7.0%	7.0%
Projected salary increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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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, 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Rate of Return</b>
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income-Rates	10.0%	4.01%
Fixed Income-Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
<b>Total</b>	<b>100.0%</b>	

*Discount rate.* The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 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 to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability/ (asset) 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:

# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

	1.00% Decrease* (6.00%)	Current Discount Rate* (7.00%)	1.00% Increase* (8.00%)
District's proportionate share of the net pension liability/(asset)	\$(584,497)	\$(766,008)	\$(917,560)

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

### ***State of Colorado Fire and Police Pension Association - Statewide Hybrid Plan - Money Purchase Plan Only***

FPPA offers a statewide money purchase plan for fire employees. This plan is a defined contribution plan. Under this plan, 8% of the employee's regular salary was withheld and contributed to the plan. The District contributes 8%. The employee is 100% vested in his or her contribution and earns a 100% vested right to the District contributions after five years of service at the rate of 20% per year. The employee's contributions to this plan for the years ended December 31, 2022, 2021, and December 31, 2020, were \$8,898, \$9,481, and \$18,096, respectively, with the District's contributions being \$8,898, \$9,481, and \$18,096, respectively.

FPPA issues an annual, publicly available financial report that includes the statewide money purchase plan. The report may be obtained on FPPA's website at [www.fppaco.org](http://www.fppaco.org).

## **10. Deferred Compensation Plans**

### ***Section 401(a)***

The District provides a deferred compensation pension plan in accordance with Internal Revenue Code Section 401(a) that is being administered Empower. The District has no administration or fiduciary responsibilities for this plan. All non-firefighter, full-time employees are required to participate in this plan at the time they begin work. The plan vests at 20% per year and plan members are fully vested after five years of employment. In service distributions can be made after a participant attains the normal retirement age. The District is required to contribute 9.0% and plan members are required to contribute 9.0% of salary to the plan in 2022. In 2022, this amounted to \$211,724 each for the District and the plan members, totaling \$423,448.

### ***Deferred Compensation Plans - Section 457***

The District offers its employees a deferred compensation plan created in accordance with Internal Service Code 457 ("457 Plan"). The District has two 457 plans, one of which is administered by FPPA and covers all commissioned firefighters of the District, the other two are administered by Empower and covers the non-firefighter employees of the District. The plans allow its participants to defer a portion of their current salary to all future years. Participation in the plans is optional. The primary purpose of this 457 PTS Plan is to provide retirement benefits comparable to the benefits these employees would receive under Social Security. A minimum contribution of 7.5 percent of an employee's gross salary is required under the 457 PTS Plan. The District matches employees contributions of 1%. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore not reflected on the financial statements of the District.



# Summit Fire & EMS Fire Protection District

## Notes to Financial Statements

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### 11. Tabor Compliance

In November 1992, Colorado voters passed an amendment (the “Amendment” or “TABOR”) to the State Constitution (Article X, Section 20), which limits the revenue raising and spending abilities of state and local Districts. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources, such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local Districts to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$724,318 for this purpose.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

## Required Supplementary Information

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Budget and Actual) - General Fund  
Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property tax receipts	\$ 16,758,222	\$ 16,758,222	\$16,411,633	\$ (346,589)
Specific ownership tax	350,000	350,000	803,419	453,419
EMS services	3,094,698	3,094,698	1,964,777	(1,129,921)
Earnings on investments	46,795	46,795	387,904	341,109
Inspection and plan review fees	360,000	360,000	1,513,505	1,153,505
Grants	3,293	3,293	52,819	49,526
Intergovernmental	20,000	20,000	2,492,306	2,472,306
Out of district response	14,000	14,000	27,404	13,404
Rental income	38,000	38,000	2,300	(35,700)
Lease Income	-	-	26,184	26,184
Fleet Admin Revenue	6,000	6,000	6,000	-
State and federal wildland response	-	-	378,858	378,858
Miscellaneous revenue	7,500	7,500	32,114	24,614
<b>Total revenues</b>	<b>20,698,508</b>	<b>20,698,508</b>	<b>24,099,223</b>	<b>3,400,715</b>
<b>Expenditures</b>				
<b>Firefighters:</b>				
Salaries	4,669,379	4,669,379	4,220,190	449,189
Payroll taxes	80,739	80,739	66,585	14,154
Pension expense	494,795	494,795	419,954	74,841
FPPA D&D	168,147	168,147	129,008	39,139
Uniforms	54,700	54,700	51,167	3,533
Health insurance	1,298,112	1,298,112	1,225,313	72,799
Disability and life insurance	25,210	25,210	26,269	(1,059)
Workers compensation	170,907	170,907	131,966	38,941
Overtime	325,000	325,000	421,271	(96,271)
Current leave benefits	111,516	111,516	28,018	83,498
Supplies	16,000	16,000	23,741	(7,741)
Equipment repair	13,800	13,800	8,445	5,355
Dues and subscriptions	1,000	1,000	-	1,000
Physicals and drug tests	30,000	30,000	23,460	6,540
Conferences & credentials	23,190	23,190	23,140	50
Personal protective equipment	40,000	40,000	39,401	599
SFA hazmat assessment	16,718	16,718	16,718	-
SFA administration assessment	359,324	359,324	359,324	-
SFA Capital assessment	-	-	-	-
<b>Total firefighters</b>	<b>7,898,537</b>	<b>7,898,537</b>	<b>7,213,970</b>	<b>684,567</b>

*Continued.*

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Budget and Actual) - General Fund  
Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EMS Operations:</b>				
Salaries	2,270,811	2,270,811	2,305,409	(34,598)
Payroll taxes	19,844	19,844	33,488	(13,644)
Pension expense	122,542	122,542	225,482	(102,940)
FPPA D&D	-	-	38,476	(38,476)
Uniforms	7,150	7,150	6,331	819
Health insurance	301,383	301,383	269,789	31,594
Disability and life insurance	12,495	12,495	10,758	1,737
Workers compensation	28,029	28,029	11,957	16,072
Routine overtime	-	-	-	-
Overtime	111,561	111,561	94,744	16,817
Current leave benefits	13,696	13,696	26,009	(12,313)
Office supplies	9,100	9,100	10,187	(1,087)
Bank fees	4,110	4,110	2,200	1,910
Medical supplies	103,604	103,604	84,594	19,010
Equipment repair	18,000	18,000	15,970	2,030
IT Equipment and maintenance	36,765	36,765	34,448	2,317
Dues and subscriptions	7,725	7,725	1,259	6,466
Telephone	8,497	8,497	8,658	(161)
Conferences & credentials	15,000	15,000	25,219	(10,219)
External contracts	18,192	18,192	2,464	15,728
Training	-	-	-	-
Vehicle repair	139,319	139,319	54,940	84,379
Fuel	41,928	41,928	31,130	10,798
Allocated expenses	1,129,638	1,129,638	973,614	156,024
<b>Total EMS operations</b>	<b>4,419,389</b>	<b>4,419,389</b>	<b>4,267,126</b>	<b>152,263</b>
<b>Administration:</b>				
Administrative salaries	653,724	653,724	661,656	(7,932)
Payroll taxes	9,479	9,479	9,212	267
Pension expense	58,700	58,700	65,292	(6,592)
FPPA D&D	4,838	4,838	4,758	80
Uniforms	1,900	1,900	1,772	128
Health insurance	120,077	120,077	117,101	2,976

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Budget and Actual) - General Fund  
Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Administration (continued)</b>				
Disability and life insurance	5,338	5,338	5,375	(37)
Workers compensation	6,081	6,081	5,087	994
Current leave benefits	10,487	10,487	-	10,487
Overtime	664	664	2,607	(1,943)
Directors and Chief expense	40,000	40,000	26,802	13,198
Treasurer fees	837,911	837,911	835,869	2,042
Insurance	85,000	85,000	73,198	11,802
Miscellaneous staff benefits	15,375	15,375	11,177	4,198
Legal services	84,997	84,997	62,904	22,093
Audit	45,000	45,000	35,385	9,615
Elections	40,000	40,000	13,007	26,993
Supplies	22,627	22,627	17,550	5,077
Dues and subscriptions	7,896	7,896	5,881	2,015
Conferences & credentials	30,699	30,699	6,413	24,286
Public education	6,000	6,000	3,449	2,551
Unemployment insurance	40,000	40,000	1,594	38,406
Education allowance	50,000	50,000	46,550	3,450
Human resources expense	6,000	6,000	9,042	(3,042)
TIF expense Silverthorne	58,219	58,219	-	58,219
TIF expense Dillon	185,011	185,011	-	185,011
Accreditation expense	24,501	24,501	12,212	12,289
EMS Allocated Expenses	(808,673)	(808,673)	(671,901)	(136,772)
Employee asst fund expense	500	500	600	(100)
<b>Total administration</b>	<b>1,642,351</b>	<b>1,642,351</b>	<b>1,362,592</b>	<b>279,759</b>
<b>Community risk division:</b>				
Salaries	401,641	401,641	390,142	11,499
Payroll taxes	5,774	5,774	5,422	352
Pension expense	35,828	35,828	38,712	(2,884)
FPPA D&D	3,988	3,988	3,988	-
Uniforms	2,250	2,250	2,903	(653)
Health insurance	78,096	78,096	78,116	(20)
Disability and life insurance	2,797	2,797	2,996	(199)
Workers compensation	4,955	4,955	2,890	2,065
Unemployment insurance	-	-	-	-
Current leave benefits	4,797	4,797	-	4,797
Overtime	5,500	5,500	3,372	2,128
Supplies	4,453	4,453	2,794	1,659
Dues and subscriptions	6,700	6,700	3,551	3,149
Conferences & credentials	18,547	18,547	14,419	4,128
Public education	-	-	499	(499)
Physicals and drug tests	-	-	-	-
Fire investigation expense	5,260	600	539	61
Contractual Services	-	-	-	-
<b>Total community risk division</b>	<b>575,926</b>	<b>575,926</b>	<b>550,343</b>	<b>25,583</b>

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Budget and Actual) - General Fund  
Year Ended December 31, 2022**

Year Ended December 31, 2022				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
<b>Admin Support services:</b>				
Salaries	222,951	222,951	131,895	91,056
Payroll taxes	3,233	3,233	1,879	1,354
Pension expense	20,066	20,066	11,821	8,245
FPPA D&D	4,208	4,208	4,203	5
Uniforms	700	700	479	221
Health insurance	42,798	42,798	16,139	26,659
Disability and life insurance	1,052	1,052	535	517
Workers compensation	4,616	4,616	2,620	1,996
Current leave benefits	2,332	2,332	-	2,332
Supplies	13,936	13,936	4,390	9,546
IT software licenses	233,833	233,833	257,107	(23,274)
IT hardware & maintenance	30,000	30,000	14,544	15,456
Dues and subscriptions	-	-	51	(51)
Telephone	53,501	53,501	28,932	24,569
Conferences & credentials	3,000	3,000	1,455	1,545
IT Consulting services	16,335	16,335	10,260	6,075
Communication center assessment	152,477	152,477	152,477	-
EMS Allocated Expenses	(214,505)	(214,505)	(210,800)	(3,705)
<b>Total support services</b>	<b>590,533</b>	<b>590,533</b>	<b>427,987</b>	<b>162,546</b>
<b>Stations and grounds:</b>				
Building supplies	15,800	15,800	17,483	(1,683)
Telephone & internet	10,282	10,282	9,670	612
Building maintenance	127,461	127,461	92,655	34,806
Snow removal	12,132	12,132	16,932	(4,800)
Water and sewer	15,022	15,022	15,787	(765)
Utilities	110,983	110,983	110,392	591
Trash removal	8,514	8,514	12,950	(4,436)
Alarm monitoring	615	615	882	(267)
EMS allocated expenses	(106,461)	(106,461)	(90,913)	(15,548)
<b>Total stations and grounds</b>	<b>194,348</b>	<b>194,348</b>	<b>185,838</b>	<b>8,510</b>
<b>Wildland</b>				
Salaries	119,715	119,715	196,671	(76,956)
Payroll taxes	3,195	3,195	3,637	(442)
Pension expense	8,656	8,656	20,011	(11,355)
FPPA D&D	3,078	3,078	3,079	(1)

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Budget and Actual) - General Fund  
Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Wildland (continued)</b>				
Uniforms	900	900	5,788	(4,888)
Health insurance	24,195	24,195	31,227	(7,032)
Disability and life insurance	513	513	1,027	(514)
Workers compensation	4,127	4,127	3,789	338
Overtime	-	-	66,014	(66,014)
Current leave benefits	-	-	-	-
Supplies	-	-	25,762	(25,762)
Equipment repair	12,500	12,500	1,056	11,444
Telephone	3,252	3,252	2,584	668
Conferences & credentials	-	-	2,120	(2,120)
Deployment expenses	-	-	41,176	(41,176)
Software & maintenance	-	-	183	(183)
<b>Total wildland</b>	<b>180,131</b>	<b>180,131</b>	<b>404,124</b>	<b>(223,993)</b>
<b>Apparatus</b>				
Repairs and maintenance	69,610	69,610	116,011	(46,401)
Fuel	55,000	55,000	71,332	(16,332)
SR Fleet Assessment	152,680	152,680	152,680	-
Apparatus station expense	7,200	7,200	3,000	4,200
<b>Total apparatus</b>	<b>284,490</b>	<b>284,490</b>	<b>343,023</b>	<b>(62,733)</b>
<b>Capital expenditures</b>				
Firefighters	80,000	80,000	54,651	25,349
EMS operations	395,074	395,074	327,877	67,197
Administration	60,000	60,000	-	60,000
Admin support services	215,000	215,000	184,627	30,373
Apparatus	180,000	180,000	-	180,000
Stations and grounds	362,700	362,700	142,133	220,567
<b>Capital expenditures</b>	<b>1,292,774</b>	<b>1,292,774</b>	<b>709,288</b>	<b>583,486</b>
<b>Total expenditures</b>	<b>17,082,640</b>	<b>17,082,640</b>	<b>15,464,291</b>	<b>1,614,149</b>
<b>Excess of revenues over expenditures</b>	<b>3,615,868</b>	<b>3,615,868</b>	<b>8,634,932</b>	<b>5,014,864</b>
<b>Other financing sources</b>				
Proceeds from sale of capital assets	-	-	54,681	54,681
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>54,681</b>	<b>54,681</b>
<b>Change in fund balance</b>	<b>\$ 3,615,868</b>	<b>\$ 3,615,868</b>	<b>8,689,613</b>	<b>\$ 5,069,545</b>
<b>Fund balance at beginning of year</b>			<b>18,454,600</b>	
<b>Fund balance at end of year</b>			<b>\$27,144,213</b>	

# Summit Fire & EMS Fire Protection District

## Notes to Required Supplementary Information

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### *Budgets*

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

- By October 15, the District's Fire Chief and Finance Manager submit to the Board of Directors, a recommended budget which details the available revenues to meet the District's operating expenditure requirements.
- After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget via resolution, appropriating expenditures for the upcoming years.
- After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.
- The District legally adopts budgets for all of the funds of the District on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.



**Summit Fire & EMS Fire Protection District**  
**Schedule of Changes in Net Pension Liability/(Asset)**  
**and Related Ratios - Volunteer Firefighters' Pension Plan**

Last Ten Fiscal Years

Measurement Period Ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	326,140	328,020	335,814	347,479	354,087	277,217	285,265	289,034
Benefit Changes	-	-	-	-	-	993,372	-	-
Difference Between Expected and Actual Experience	-	95,523	-	73,026	-	65,279	-	8,667
Assumption Changes	-	-	-	188,325	-	130,502	-	-
Benefit Payments	(453,000)	(447,900)	(446,429)	(442,200)	(442,200)	(440,700)	(346,160)	(349,680)
Net Change in Total Pension Liability	(126,860)	(24,357)	(110,615)	166,630	(88,113)	1,025,670	(60,895)	(51,979)
Total Pension Liability - Beginning	4,881,810	4,906,167	5,016,782	4,850,152	4,938,265	3,912,595	3,973,490	4,025,469
Total Pension Liability - Ending	\$ 4,754,950	\$ 4,881,810	\$ 4,906,167	\$ 5,016,782	\$ 4,850,152	\$ 4,938,265	\$ 3,912,595	\$ 3,973,490
<b>Plan Fiduciary Net Position</b>								
Employer Contribution	\$ 91,082	\$ 91,082	\$ 91,082	\$ 91,082	\$ 91,082	\$ 92,500	\$ 90,874	\$ 143,000
Pension Plan Net Investment Income	602,618	485,808	522,603	3,246	535,193	196,946	70,611	259,598
Benefit Payments	(453,000)	(447,900)	(446,429)	(442,200)	(442,200)	(440,700)	(346,160)	(349,680)
Pension Plan Administrative Expenses	(13,586)	(11,384)	(12,120)	(11,616)	(10,873)	(6,181)	(8,109)	(6,320)
State of Colorado Supplemental Discretionary Payment	81,974	81,974	81,974	81,974	81,974	81,787	81,974	81,974
Net Change in Plan Fiduciary Net Position	309,088	199,580	237,110	(277,514)	255,176	(75,648)	(110,810)	128,572
Plan Fiduciary Net Position - Beginning	4,229,119	4,029,539	3,792,429	4,069,943	3,814,767	3,890,415	4,001,225	3,872,653
Plan Fiduciary Net Position - Ending	\$ 4,538,207	\$ 4,229,119	\$ 4,029,539	\$ 3,792,429	\$ 4,069,943	\$ 3,814,767	\$ 3,890,415	\$ 4,001,225
Net Pension Liability/(Asset) - Ending	\$ 216,743	\$ 652,691	\$ 876,628	\$ 1,224,353	\$ 780,209	\$ 1,123,498	\$ 22,180	\$ (27,735)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.44%	86.63%	82.13%	75.59%	83.91%	77.25%	99.43%	100.70%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.*

*See accompanying Independent Auditor's Report.*

# Summit Fire & EMS Fire Protection District

## Schedule of Contributions

### Volunteer Firefighters' Pension Plan

#### Last Ten Fiscal Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 27,734	\$ 224,974	\$ (197,240)	N/A	N/A
2015	\$ 27,734	\$ 172,848	\$ (145,114)	N/A	N/A
2016	\$ -	\$ 174,287	\$ (174,287)	N/A	N/A
2017	\$ -	\$ 173,056	\$ (173,056)	N/A	N/A
2018	\$ 91,438	\$ 173,056	\$ (81,618)	N/A	N/A
2019	\$ 91,438	\$ 173,056	\$ (81,618)	N/A	N/A
2020	\$ 101,636	\$ 173,056	\$ (71,420)	N/A	N/A
2021	\$ 101,636	\$ 173,056	\$ (71,420)	N/A	N/A

\* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

*See accompanying Independent Auditor's Report.*

**Summit Fire & EMS Fire Protection District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)**  
**Cost-Sharing Defined Benefit Plans**  
**Last Ten Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>FPPA - Statewide Defined Benefit Plan</b>									
District's proportion of the net pension liability/(asset)	\$ (3,152,419)	\$ (1,188,988)	\$ (317,461)	\$ 770,957	\$ 988,345	\$ 224,321	\$ (10,306)	\$ (666,673)	\$ (754,130)
District's proportionate share of the net pension liability/(asset)	0.5817%	0.5477%	0.5613%	0.6098%	0.5355%	0.6208%	0.5846%	0.5907%	0.6057%
District's covered payroll	\$ 4,527,868	\$ 4,401,458	\$ 4,136,992	\$ 4,053,025	\$ 4,527,868	\$ 3,204,893	\$ 3,033,564	\$ 2,659,086	\$ 2,632,935
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	69.62%	27.01%	7.67%	19.02%	21.83%	7.00%	0.34%	25.07%	28.64%
Plan fiduciary net position as a percentage of the total pension liability / (asset)	116.20%	106.70%	101.90%	95.23%	106.30%	98.21%	100.10%	106.80%	105.80%
<b>FPPA - Statewide Hybrid Plan</b>									
District's proportion of the net pension liability/(asset)	\$ (766,008)	\$ (533,564)	\$ (377,844)	\$ (270,027)	\$ (375,677)	\$ (241,958)	\$ (259,032)	\$ (342,312)	\$ (305,778)
District's proportionate share of the net pension liability/(asset)	2.0201%	1.9399%	1.9402%	1.9562%	1.9214%	2.2228%	2.4593%	2.8864%	2.6475%
District's covered payroll	\$ 411,956	\$ 411,850	\$ 387,041	\$ 389,731	\$ 411,956	\$ 365,895	\$ 475,287	\$ 446,602	\$ 428,133
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	185.94%	129.55%	97.62%	69.29%	91.19%	66.13%	54.50%	76.65%	71.42%
Plan fiduciary net position as a percentage of the total pension liability / (asset)	149.01%	137.99%	130.06%	123.46%	138.86%	125.79%	129.44%	140.60%	139.00%

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

\* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

*See accompanying Independent Auditor's Report.*

**Summit Fire & EMS Fire Protection District**  
**Schedule of District Contributions**  
**Cost-Sharing Defined Benefit Plans**  
**Last Ten Years**

Year Ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>FPPA - Defined Benefit Plan</b>									
Statutorily Required Contribution	\$ 480,681	\$ 384,744	\$ 351,913	\$ 330,968	\$ 324,089	\$ 250,572	\$ 244,863	\$ 226,698	\$ 212,519
Contributions in Relation to the Statutorily Required Contribution	480,681	384,744	351,913	330,968	324,089	250,572	244,863	226,698	212,519
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$5,338,974	\$4,527,868	\$4,401,458	\$4,136,992	\$4,053,025	\$3,132,453	\$3,059,893	\$2,833,564	\$2,657,485
Contributions as a Percentage of Covered Payroll	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
<b>FPPA - Statewide Hybrid Plan</b>									
Statutorily Required Contribution	\$ 36,106	\$ 32,955	\$ 32,948	\$ 30,963	\$ 31,178	\$ 29,378	\$ 28,224	\$ 31,894	\$ 35,728
Contributions in Relation to the Statutorily Required Contribution	\$ 36,106	\$ 32,955	\$ 32,948	\$ 30,963	\$ 31,178	\$ 29,378	\$ 28,224	\$ 31,894	\$ 35,728
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 451,323	\$ 411,956	\$ 411,850	\$ 387,041	\$ 389,731	\$ 367,232	\$ 352,895	\$ 398,787	\$ 446,613
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

*See accompanying Independent Auditor's Report.*

## Other Supplementary Information

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**Summit Fire & EMS Fire Protection District**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**(Budget and Actual) - Snake River Fleet Services Fund**  
**Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues</b>				
Charges for parts and services:				
Summit Fire & EMS Fire Protection District	\$ 222,290	\$ 222,290	\$ 268,155	\$ 45,865
Red, White & Blue Fire Protection District	182,546	182,546	204,514	21,968
Summit Fire Authority	6,705	6,705	6,180	(525)
Other	12,428	12,428	18,845	6,417
<b>Total revenues</b>	<b>423,969</b>	<b>423,969</b>	<b>497,694</b>	<b>73,725</b>
<b>Operating expenses</b>				
Salaries and administrative overhead	174,642	174,642	177,270	(2,628)
Benefits	34,635	34,635	26,534	8,101
Payroll taxes	2,445	2,445	2,390	55
Workers compensation	3,276	3,276	1,652	1,624
Pension	15,178	15,178	16,874	(1,696)
Vehicle parts	146,162	146,162	207,902	(61,740)
Service vehicle	3,750	3,750	4,801	(1,051)
Insurance	5,489	5,489	5,489	-
Supplies	2,945	2,945	3,186	(241)
IT Software & Hardware	10,272	10,272	9,627	645
Utilities	2,895	2,895	3,407	(512)
Tools and equipment	5,570	5,570	2,797	2,773
Training	4,570	4,570	1,992	2,578
Telephone	1,242	1,242	1,146	96
Dues and subscriptions	-	-	35	(35)
Capital outlay	10,000	10,000	-	10,000
<b>Total operating expenses</b>	<b>423,071</b>	<b>423,071</b>	<b>465,102</b>	<b>(42,031)</b>
<b>Change in net position - budgetary basis</b>	<b>\$ 898</b>	<b>\$ 898</b>	<b>32,592</b>	<b>\$ 31,694</b>
<b>Reconciliation to GAAP basis</b>				
Depreciation			(5,202)	
<b>Change in net position - GAAP basis</b>			<b>27,390</b>	
<b>Net position at beginning of year</b>			<b>107,831</b>	
<b>Net position at end of year</b>			<b>\$ 135,221</b>	

*See accompanying Independent Auditor's Report.*