



ARTICLE 5. FIDUCIARY RESPONSIBILITIES

5.1 Fiduciary Duty

A Director has a fiduciary obligation to the District. This obligation does not extend to each individual resident of the District, but rather to the District itself.

The board is responsible for approving an Annual Budget and providing oversight of Financial Administration as defined below:

5.2 Annual Budget

The Colorado Local Government Budget Law, Section 29-1-101 et seq., C.R.S., requires an annual financial plan (budget) to be completed by the Timberline Fire Protection District (District). The annual budget provides the framework for both expenditures and revenues for the year and translates the programs and priorities of the District into financial terms. The Board of Directors shall adopt a budget sufficient to implement the District's goals. Budgeting is regulated and controlled by State and Federal regulations, statutes and standards that prescribe the form of district budgets. Guidance in the preparation of the annual budget will be found in the Financial Management Manual available from the State Auditor's Office, (303) 866-2051. The Special District Compliance Calendar can be found in Appendix A of the Financial Management Manual.

The fiscal year for the District is the calendar year.

Currently, there are four funds; the General Fund, the Capital Replacement Fund, the Pension Trust Fund and the Boulder County Water Supply Fund.

1. The General Fund accounts for all financial resources not specifically restricted in the other three funds.
2. The Capital Replacement Fund accounts for financial resources to be used for acquisition or construction of major capital facilities and equipment costing more than \$5,000.
3. The Pension Trust Fund accounts for assets held by the District as trustee for firefighter retirement benefits.
4. The Boulder County Water Supply Fund accounts for money received from Boulder County residents in lieu of installing cisterns or sprinkler systems. This money shall only be spent for Boulder County water systems.



The District Fire Chief is the budget officer who will prepare the annual budget which must be submitted to the Board of Directors by October 15.

Budget Format and Content

The following elements shall be included in the budget document:

1. Each fund shall identify its revenues and expenditures
2. Each significant revenue item shall be adequately described
3. Expenditures shall be broken down by the following classifications:

General Fund

- Administration
- Communications
- Operations
- Training
- Medical & Rescue
- Prevention
- Equipment Repairs & Maintenance
- Stations
- Pension Fund Contribution
- Fund Transfers

Capital Replacement Fund

- Administration
- Cisterns/Pumps
- Construction
- Equipment
- Vehicles
- Debt Service Fund

The budget shall show the corresponding figures for the prior year, the current year estimated through year-end and the proposed year.

The budget shall show estimated beginning and ending fund balances.

The budget shall include a message describing the important features of the budget, a statement of the basis of accounting used and a description of the services to be provided during the budget year.

A supplemental schedule shall be provided describing any proposed lease-purchase agreements.



No budget may show expenditures in excess of available revenues plus beginning fund balances. It shall disclose planned compliance with Article X, Section 20, of the Colorado Constitution.

Contingency for Budget Shortfall

The use of contingency items may not be added to the budget. The total budgeted expenditures may not exceed the total revenue plus beginning fund balance.

Notice of Budget

The Board of Directors must publish a Notice of Budget in a newspaper having general circulation within the District stating:

1. The proposed budget will be considered for adoption at a hearing on a specified time, date and place.
2. The proposed budget is available for inspection at a designated public office.
3. Any elector may inspect the budget and file objections at any time prior to the final adoption of the budget.

Budget Adoption Process

The District should plan to hold the budget hearing and pass a Resolution to Adopt a budget at the regular November Board of Directors meeting. The Board may consider the objections of the electors and revise, alter, increase or decrease the items as it deems necessary in view of the needs of the District. If the budget is to be adopted at a future meeting, a notice will be published as required.

Because the District is a tax levying entity, a budget must be adopted by December 15.

Levy Certification and Appropriation

The December regular meeting of the Board of Directors should be scheduled between December 10 and December 15. County Assessors are required to notify the District of any changes in assessed valuation by December 10. The District is required to certify its mill levies to the Gilpin and Boulder Board of County Commissioners by December 15. Therefore, at the December meeting, the Board of Directors should pass the following resolutions:

- Resolution to Adopt Budget (if not already completed)
- Resolution to Set Mill Levies
- Resolution to Appropriate Sums of Money

Filing the Budget

The District shall file a certified copy of its adopted budget with the Division of Local Government no later than January 30. The filing shall include a Letter of Budget Transmittal certifying that the budget is a true and accurate copy of the budget as adopted by the District Board.

Changes to the Budget



If the District receives unanticipated revenue, other than from property tax revenue, it must amend the budget if it intends to spend the revenue in the current fiscal year.

To authorize the expenditure of the additional revenues, the District must hold a budget hearing to adopt a resolution for a supplementary budget and appropriation. The supplemental budget and appropriation resolution must be filed with the Division of Local Government.

Reference:

State of Colorado, Financial Management Manual, A Guide for Colorado Local Governments
Available from the Office of the State Auditor or the online site: <http://www.state.co.us/auditor>.
At the Web site select Local Government Section and then FMM.

5.3 Financial Administration

The Financial Manager shall be responsible for receiving and properly accounting for all money of the District. All money received and/or disbursed by the district shall be accounted for carefully and accurately in compliance with generally accepted principles of governmental accounting providing for the appropriate separation of accounts and funds and shall be done in a manner that is easily reviewed and lends itself to auditing.

The Chief shall not cause or allow material deviations from the annual budget or any budget policies adopted by the Board or any fiscal condition that is inconsistent with achieving the district's objectives. The Chief shall take reasonable steps to ensure that only money that has been received is expended unless authorized by Board resolution to do otherwise. The Chief shall notify the Board immediately regarding any potential financial problem or any matter that may affect the District's financial condition or ability to achieve its mission. The Financial Manager shall ensure that reports and filings required by state and federal law and other agencies are accurately and timely filed.

All district funds and accounts shall be audited by an independent auditor annually in accordance with state law and Board policy. The Board shall take timely and appropriate corrective actions in accordance with any audit findings. The Board shall ensure that all financial and audit reports are made available to the public.

The Financial Manager and Chief shall develop and implement processes whereby variations or deviations in cash flow, revenues or other important financial indicators can be identified and dealt with in a timely manner. The Chief shall take all reasonable steps to identify line items or funds that may end the fiscal year with an operating loss or deficit and shall take immediate corrective action to rectify the situation.



The Financial Manager and Chief shall encourage all District personnel to report suspected financial problems or wrongdoing. The District shall take no adverse actions toward personnel in response to a good faith report.

Financial Reports

The Financial Manager or designee shall prepare and submit to the Board a monthly list of checks and financial statements for all budgeted funds. The Chief shall ensure that any expenditures that are projected to exceed budgeted line item amounts are brought to the Board's attention. The Financial Manager or designee shall prepare and submit to the Board a monthly report of all District funds. The format and basis for reporting shall be consistent with the adopted budget and the past years generally accepted accounting procedures results. This report shall include:

- The actual amounts spent and received as of the date of the report from each of the Funds budgeted by the district for the fiscal year, expressed as dollar amounts and as percentages of the annual budget.
- The actual amounts spent and received for each fund for the same period in the preceding fiscal year, expressed as dollar amounts and as percentages of the annual budget.
- The expected year-end fund balances, expressed as dollar amounts and as percentages of the annual budget
- A comparison of the expected year--end fund balances with the amount budgeted for that fiscal year.
- Details shall be provided on the District's major tax and revenue sources with an analysis of any factors that are affecting revenue inflow.

The Board may request other financial reports as needed.

5.4 Authorized Signatures

All checks drawn on District accounts shall require original signatures of two (2) Board Members. All electronic billings will be reviewed by two Board Members.

Severability. If any part, section, subsection, sentence, clause or phrase of this policy is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

Effective Date. This policy shall take effect and be enforced immediately upon its approval by the Board of Directors of the District.

Adopted: 11/20/2013