FLORENCE FIRE PROTECTION DISTRICT

AUDITED FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

FLORENCE, COLORADO

December 31, 2022

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Garren, Ross & DeNardo, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

October 17, 2023

Board of Directors
Florence Fire Protection District
Florence, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Florence Fire Protection 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of 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 Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

Board of Directors
Florence Fire Protection District

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Florence Fire Protection District

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Garren, Ross & DiNardo, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis
Florence Fire Protection District
December 31, 2022

As management of the Florence Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022. The management's discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

District Operation and Background

The Florence Fire Protection District became a reality in 1953, when the towns of Florence, Rockvale, and Coal Creek, formed a Special District with the blessings of the District Court of Fremont County for the purpose of gathering funds to purchase fire equipment and to secure supplies in support of the fire fighting elements. The three towns (all incorporated cities) provided a mill levy through property taxes to support the fledgling District. Later, the entity of Penrose (not an incorporated city) and the town of Williamsburg (which is incorporated) joined the District. Subsequently, the station at Williamsburg has been closed. The two towns of Coal Creek and Rockvale have been combined and that is known as Station 3. The Florence Fire Protection District currently has three fire stations with the headquarters based in Florence at 300 West Main Street.

The Florence Fire Protection District borders are to the north on HWY 115 at mile marker 23.5 and on Fremont County Road 67 at mile marker 5.5, on Fremont County Road 132 it will be at mile marker 5. On the southwest end beside Mackenzie Ave. it is along Fremont County Road 78, which runs south to the Fremont Custer County line.

In prior years, the sole function of our District was fire suppression, fire safety, fire inspection and fire fighting. We operate some 20 fire units which are spread out in the three different stations, and most are state of the art pumper-tankers due to the rural atmosphere of our District. In 2022, the District took over the emergency management services (EMS) from volunteers. The District taxpayers voted in November 2021 for an increase in their property tax mill levy by 10 mills to support the EMS operations and additional fire protection services.

Our District is operated by firefighters, both paid and volunteer, who serve at the pleasure of the Board of Directors. Volunteer firefighters only compensation is a pension after successful completion of 20 years of service and reaching the age of fifty. Effective in 2020, the monthly benefit increased from $300 to $375 and the one time lump sum death benefit increased to $750. The District presently has 36 retired firefighters drawing a pension.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $7,496,980 (net position). Of this amount $2,269,775 (30.3%) unrestricted net position, may be used to meet the District's ongoing obligations to citizens and creditors. A significant portion of the District's net position (24.2%) reflects its investment in capital assets. These assets include land, buildings, vehicles and equipment. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.
- The District's total net position increased by $2,257,461.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $4,680,316, an increase of $1,481,226 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance of the general fund is $2,281,206.
- Total revenues in the general fund increased by $423,264 compared to the previous year.
- Total revenues in the capital improvement fund increased by $33,901 compared to previous year. The District received a donation of $994,221 from the Estate of Jean Fassler in 2019 with restrictions for capital improvements.

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 consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The basic financial statements present two different views of the District through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the District.

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

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

The *statement of activities* presents information showing how the 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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes. The governmental activities of the District primarily include community safety services. The government-wide financial statements can be found on pages 4 - 5 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as State Statutes. The funds of the District are all governmental 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 inflow 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. Governmental funds are reported using an accounting method called modified accrual accounting which has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the District's programs.

Overview of the Financial Statements (Continued)
Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation, which is a part of the fund financial statements, to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, EMS fund, and the capital improvement fund.

The District adopts an annual appropriated budget for governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 6 and 8 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10- 22 of this report.

Government-Wide Financial Analysis
As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets exceeded liabilities by $7,496,980 at the close of calendar year 2022. Increases or decreases in net position may serve as a useful indicator as to whether the financial condition of the District is improving or deteriorating over time.

A portion of the District's net position reflects its investment in capital assets (i.e., land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position at December 31, 2022 and 2021:

Government Wide Financial Analysis (Continued)

		2022	2021
Assets:			
Current and other assets		$ 8,286,749	$ 6,430,679
Capital assets		1,811,034	1,303,756
	Total Assets	10,097,783	7,734,435
Deferred outflow of resources: Firemen's pension plan		45,629	100,964
Liabilities:			
Current and other liabilities		155,310	8,853
Long-term liabilities outstanding		-	-
	Total Liabilities	155,310	8,853
Deferred inflow – property taxes		2,165,168	2,348,217
Deferred inflow – Firemen's pension plan		325,954	238,810
Net Position:			
Invested in capital assets, net of related debt		1,811,034	1,303,756
Restricted		3,416,171	2,033,023
Unrestricted		2,269,775	1,902,740
	Total Net Position	$ 7,496,980	$ 5,239,519

At the end of the current calendar year, the Florence Fire Protection District is able to report a positive balance in all categories of net position.

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains the requirements of setting an emergency reserve. This reserve cannot be accessed except for an unexpected disaster. This reserve amounts to $33,000 as of December 31, 2022.

The District has implemented GASB Statement No. 68 Employer Reporting for Pension Plans effective for fiscal years ending December 31, 2015.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. Revenues and expenses in this statement are recorded when earned or when a liability is incurred.

The following table reflects the condensed Statement of Activities for the year ended December 31, 2022 and 2021:

Government Wide Financial Analysis (Continued)

	2022	2021
Revenues:		
Program revenues:		
Charges for services	$ 233,659	$ 26,256
Operating and capital grants/contributions	479,536	2,000
General revenues:		
Property taxes	2,198,932	552,278
Penalty and interest	11,241	2,853
Specific ownership taxes	284,708	99,486
Investment earnings	83,010	1,458
Pension income	284,222	-
Gain (loss) on sale of assets	(1,597)	-
Other	6,778	2,337
Total Revenues	3,580,489	686,668
Expenses:		
Public safety	874,345	362,771
General government	448,683	159,151
Interest on debt	-	-
Total Expenses	1,323,028	521,922
Change in net position	2,257,461	164,746
Net position – beginning – restated	5,239,519	5,074,773
Net position – ending	$ 7,496,980	$ 5,239,519

Budgetary Highlights
The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted funds are the General Fund and EMS Fund.

For 2022, the Directors appropriated $492,894 for General Fund and $1,427,809 for EMS Fund expenditures.

2022 Budget

General Fund	Original Budget	Final Budget	Actual
Revenues	$ 2,368,032	$ 1,114,061	$ 1,031,167
Expenditures	$ 1,596,071	$ 492,894	$ 586,867

EMS Fund	Original Budget	Final Budget	Actual
Revenues	$ 1,759,650	$ 1,759,650	$ 2,148,031
Expenditures	$ 1,427,809	$ 1,427,809	$ 1,104,769

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets as of December 31, 2022 amounts to $1,811,034 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, and equipment. The increase in the District's investment in capital assets for the current fiscal year was due to current year purchases, net of dispositions of $507,278 with current year depreciation expense of $135,564.

Florence Fire Protection District's Capital Assets

Land	$	77,548
Construction in progress		184,965
Building and improvements		598,056
Vehicles		2,494,863
Equipment		1,217,956
	$	4,573,388

Additional information on the District's capital assets can be found in the notes section on page 18 of this report.

Final Comments

The District continues to strive to achieve its mission of providing affordable, efficient, and reliable community safety services.

Request for Information

This financial report is designed to provide a general overview of the Florence Fire Protection 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 request for additional financial information should be addressed to:

Florence Fire Protection District
Bill Simmons
President
300 West Main Street
Florence, CO 81226

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
FLORENCE FIRE PROTECTION DISTRICT
December 31, 2022

Assets		
Cash and investments	$	4,645,875
Receivables		2,232,785
Prepaid expenses		11,188
Inventories		95,681
Net pension asset - firemen's pension plan		1,301,220
Capital assets:		
Non-depreciable		262,513
Depreciable-net		1,548,521
Total Assets		10,097,783
Deferred Outflows of Resources		
Related to firemen's pension plan		45,629
Liabilities		
Accounts payable		16,059
Accrued liabilities		36,336
Unearned revenue		87,650
Accrued compensated absences		15,265
Total Liabilities		155,310
Deferred Inflows of Resources		
Related to firemen's pension plan		325,954
Related to property taxes		2,165,168
Total Deferred Inflows of Resources		2,491,122
Net Position		
Invested in capital assets, net of related debt		1,811,034
Restricted		3,416,171
Unrestricted		2,269,775
Total Net Position	$	7,496,980

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

STATEMENT OF ACTIVITIES
FLORENCE FIRE PROTECTION DISTRICT
For the year ended December 31, 2022

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Program Revenue: Total	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities
Primary Government:						
Government activities:						
General government	$ 448,683	$ -	$ -	$ -	$ -	$ (448,683)
Public safety	874,345	233,659	113,199	366,337	713,195	(161,150)
Interest on debt	-	-	-	-	-	-
Total	$ 1,323,028	$ 233,659	$ 113,199	$ 366,337	$ 713,195	$ (609,833)

General revenues and taxes	
Taxes:	
General property taxes	2,198,932
Penalty and interest	11,241
Specific ownership taxes	284,708
Other revenues	6,778
Gain (loss) on sale of assets	(1,597)
Investment earnings	83,010
Pension income	284,222
Total General Revenues and Taxes	2,867,294
Change in Net Position	2,257,461
Net Position - Beginning	5,239,519
Net Position - Ending	$ 7,496,980

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

BALANCE SHEET- GOVERNMENTAL FUNDS

FLORENCE FIRE PROTECTION DISTRICT

December 31, 2022

	General Fund	EMS Fund	Capital Improvement Fund	Total Governmental Funds
Assets				
Cash and investments	$ 2,322,321	$ 1,005,547	$ 1,318,007	$ 4,645,875
Receivables	845,103	1,294,756	92,926	2,232,785
Due from other funds	-	3,409	-	3,409
Prepaid expenses	3,834	7,354	-	11,188
Inventories	-	95,681	-	95,681
Total Assets	3,171,258	2,406,747	1,410,933	6,988,938
Liabilities				
Accounts payable	10,334	5,725	-	16,059
Accrued liabilities	6,146	30,190	-	36,336
Due to other funds	3,409	-	-	3,409
Unearned revenue	-	87,650	-	87,650
Total Liabilities	19,889	123,565	-	143,454
Deferred inflow - property taxes	833,329	1,238,920	92,919	2,165,168
Fund Balances				
Nonspendable	3,834	103,035	-	106,869
Restricted	33,000	941,227	1,318,014	2,292,241
Unassigned	2,281,206	-	-	2,281,206
Total Fund Balances	$ 2,318,040	$ 1,044,262	$ 1,318,014	$ 4,680,316

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

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

FLORENCE FIRE PROTECTION DISTRICT

December 31, 2022

Total Fund Balances - Government Funds	$ 4,680,316
Amounts reported for governmental activities in the Statement of Net Position were different because:	
Capital assets used in governmental activities were not current financial resources, therefore, they were not reported in the Governmental Funds Balance Sheet.	1,811,034
Net pension assets used in governmental activities were not current financial resources, therefore, they were not reported in the Govenmenal Funds Balance Sheet.	1,020,895
Long-term liabilities, including long-term debt are not due and payable in the current period and therefore are not reported in the governmental funds:	
Compensated absences	(15,265)
Net Position of Governmental Activities	$ 7,496,980

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FLORENCE FIRE PROTECTION DISTRICT

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	General Fund	EMS Fund	Capital Improvement Fund	Total Governmental Funds
Revenues				
General property tax	$ 846,351	$ 1,258,217	$ 94,364	$ 2,198,932
Penalty and interest	10,316	-	925	11,241
Specific ownership tax	126,325	158,383	-	284,708
Interest	41,397	18,236	23,377	83,010
Charges for services	-	233,659	-	233,659
Other income	6,778	479,536	-	486,314
Total Revenues	1,031,167	2,148,031	118,666	3,297,864
Expenditures				
General government	210,521	223,106	2,845	436,472
Public safety	263,739	471,988	-	735,727
Capital outlay	112,607	409,675	122,157	644,439
Total Expenditures	586,867	1,104,769	125,002	1,816,638
Excess (Deficiency) of Revenues Over Expenditures	444,300	1,043,262	(6,336)	1,481,226
Other Financing Sources (Uses)				
Transfers in (out)	(51,000)	1,000	50,000	-
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	393,300	1,044,262	43,664	1,481,226
Fund balances - beginning	1,924,740	-	1,274,350	3,199,090
Fund balances- ending	$ 2,318,040	$ 1,044,262	$ 1,318,014	$ 4,680,316

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

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

FLORENCE FIRE PROTECTION DISTRICT

For the Year Ended December 31, 2022

Total Net Change in Fund Balances - Governmental Funds		$ 1,481,226
Amounts reported for governmental activities in the Statement of Activities and Change in Net Position were different because:		
Governmental funds reported capital outlay as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 644,439	
Net book value of disposed assets	(1,597)	
Depreciation expense	(135,564)	507,278
In the statement of activities, certain operating expenses - compensated absenses (sick and vacation) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). This amount represents the net effect on the statement of activities.		(15,265)
Deferred income/expense related to the pension plan is not recognized in the governmental funds because it does not require the use of current financial resources.		284,222
Change in Net Position - Governmental Activities		$ 2,257,461

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of Florence Fire Protection District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. 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.

Financial Reporting Entity

Florence Fire Protection District (the District) is organized under the laws of the State of Colorado. It operates under the jurisdiction of a local Board of Directors, whose members are elected by the voters of the District. The District provides fire protection and beginning in 2022 emergency medical services (EMS) . As required by generally accepted accounting principles, these financial statements present the Florence Fire Protection District (the primary government) and its component units, if any. No additional separate governmental units, agencies, or nonprofit corporations are included in the financial statements of the District, since none were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Government Wide Financial Statements

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

The statement of net position and the statement of activities display information about the District as a whole. In the government-wide statement of net position, the governmental activities are presented on a consolidated basis. These statements include the activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The government-wide statement of activities reflect both the direct expenses and net cost of each function of the District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods and services offered by the program. Grants and contributions that are restricted to meeting the operational and capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program are included in operating grants and contributions, or capital grants and contributions. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements

The financial transactions of the District are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and presented as non-major funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property and specific ownership taxes are reported as receivables and unearned revenue when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements are met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of capital lease debt service which is recognized when due.

The District reported the following government funds:

- The *General Fund* is the general operating fund of the District which accounts for all financial resources that are not accounted for in other funds. Operations of the District such as District administration financed from taxes and general revenues are reflected in this fund.

- The *EMS Fund* handles the ambulance activities for the District.

- The *Capital Improvement Fund* accumulates resources for the purpose of making capital acquisitions and any long-term debt payments thereon related to the capital acquisitions.

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments
Cash on hand, cash in the bank and all highly liquid investments with a maturity of three months or less when purchased or subject to withdrawal, are considered to be cash and cash equivalents.

The District's policy is to state investments at their fair value and categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

All investment income, including changes in the fair value of investments are reported as investment income in the District's financial statements. Cash and investments are subject to Colorado State statutes as described in Note 3.

Property Taxes
Fremont County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year and may be paid in two equal installments before the last day of February and the 15th day of June or in full before the last day of April.

Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Available means due or past due and receivable within the current period and collected no more than 60 days after December 31.

Inventory and Prepaid Expenses
Inventory for the EMS Fund is valued at cost using the first-in, first-out method of determining inventories on hand. A physical count was made at December 31, 2022, and inventory was adjusted to reflect an accurate balance as determined by the physical count. Expendable supplies are charged directly to expenditures when purchased. Reported inventory in the EMS Fund is considered nonspendable fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of total reported assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements.

Capital Assets
Capital assets which include property, vehicles and equipment are reported in the government-wide financial Statements. Capital assets are defined by the District as assets with an initial individual cost of $500 or more and useful life of more than one year.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. All reported capital assets are depreciated, except for land and land improvements. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 - 50 years
Equipment	5 - 15 years
Vehicles	8 - 15 years

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)
Land and related improvements are not depreciated and assets under construction are not depreciated until they become available for service.

Deferred Outflows/Inflows of Resources
In addition to assets and liabilities, the statement of net position and/or balance sheets will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets by the District that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net assets by the District that is applicable to future reporting periods. Both deferred inflow and deferred outflows are reported in the statement of net position but are not reported as revenue or expenditures until the period(s) to which they relate.

The District reports deferred outflows for amounts related to the pension plan. The pension plan amounts consist of several components and are more fully described in Note 7.

Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

The District reports deferred inflows for the amounts related to pensions plan. The pension plan amounts consist of several components and are more fully described in Note 7.

Accounts Payable
Accounts payable represent obligations due to vendors for goods delivered or services rendered prior to December 31, 2022.

Interfund Transactions
Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the District are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expenses in the fund that is reimbursed. At year end, outstanding balances between funds are reported as "due to/from other funds". Interfund balances are generally expected to be repaid within one year of the financial statement date. Any residual balances outstanding between the governmental funds are eliminated in the government-wide statement of net position.

Compensated Absences
District employees are entitled to certain compensated absences based on their length of employment and shift hours worked. Maximum accrual is 300 hours for non-exempt employees and 200 hours for exempt employees. Once an employee reaches the annual cap no additional leave will be accrued.

Ultimate payment of these benefits is payable only in conjunction with the employee's termination. Any such payments of vested benefits are made in a lump sum at termination.

The unpaid sick leave, vacation pay and related benefits at the end of the period will generally not be paid with expendable and available resources and, as such, the liability is generally not reflected in the governmental fund financial statements. The entire liability for compensated absences is reported on the government-wide financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position

In the government-wide financial statements net position represents the difference between assets and liabilities. It is divided into three components. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by any outstanding borrowing use for the acquisition or construction of improvements of those assets. Restricted net position is presented to reflect any restrictions imposed on its use by enabling legislation, restrictions imposed by grantors, laws or regulations of other governments. All other amounts are reported as unrestricted net position.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Balances

The District presents fund balances in clearly defined categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balance in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.

- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 - Stewardship, Compliance, And Accountability

Budgets and Budgetary Data

Formal budgetary accounting is employed as a management control tool for all funds of the District. Budgets are prepared on the modified accrual basis of accounting for all government fund types.

Budgets are established for all governmental funds. Formal budgetary accounting is employed as a management control device during the year to monitor the individual funds. During the year there was a supplemental appropriation. All annual appropriations lapse at year end. The District does not recognize encumbrances.

Expenditures in Excess of Budget Amounts

During 2022 the following funds had expenditures which exceeded budgeted amounts, which may be a violation of Colorado Local Government Budget Law.

	Actual	Budget	Excess
General fund	$ 586,867	$ 492,894	$ (93,973)
Capital improvement fund	$ 125,002	$ 52,700	$ (72,302)

Tax, Revenue, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the Amendment. However, the District has made certain interpretations of the Amendment's language in order to determine its compliance.

On November 5, 1996 the Florence Fire Protection District passed a referendum regarding the revenue and spending limits imposed by Article X, section 20 of the Colorado constitution. The referendum allows the District, without increasing or adding any taxes of any kind, to collect, retain and expend all revenues and other funds collected during 1996 and thereafter.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District carries commercial insurance for such risks, including workers' compensation and accident insurance. Settled claims resulting from these risks did not exceed commercial insurance coverage during 2022.

Grant Funding

The District receives funding from Federal and private grants which may be subject to regulatory or other oversight by the granting agencies. Such oversight may include audit or other compliance procedures. Any adjustments made by a granting agency would become a liability to the District. There are no such proceedings presently in progress.

Risks and Uncertainties

In March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, was severely impacted for months and may continue to impact the economy. Management has been carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Note 3 - Cash Deposits and Investments

Deposits
The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility.

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be equal to 102% of the aggregate uninsured deposits.

As of December 31, 2022, all of the District deposits were either insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned to it. The District's policy for custodial credit risk parallels Colorado statutes.

A summary of cash and deposits held at year end follows:

	Carrying Amounts	Less Than One Year	Less Than Five Years
Deposits:			
Cash on hand	$ 25	$ 25	$ -
Checking	62,633	62,633	-
Investments:			
ColoTrust	4,583,217	4,583,217	-
Total	$ 4,645,875	$ 4,645,875	$ -
Governmental Activities	$ 4,645,875		

Investments
Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The law outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government agency securities, certain bonds of political subdivisions, bankers' acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, negotiable certificates of deposit fully covered by FDIC Insurance and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

The District has invested $4,583,217 in the Colorado Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. ColoTrust operates similarly to a money market fund and each share is equal in value to $1. Investments of ColoTrust consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to ColoTrust in connection with the direct investment and withdrawal functions of ColoTrust. Substantially all securities owned by ColoTrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by ColoTrust.

Note 3 - Cash Deposits and Investments (Continued)

Investments (Continued)

Interest Rate Risk - The District's policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates parallels Colorado statutes. Specifically all securities are limited to a maximum maturity of five years from date of purchase unless the governing body authorizes a longer period.

Credit Risk - The District does not have a policy which would further limit its investment choices beyond the requirements of Colorado statutes. As of December 31, 2022, the District's investment in ColoTrust rates AAAm by Standard and Poor's and Aaa by Moody's.

Note 4 - Receivables

Accounts receivable at December 31, 2022 consist of the following:

Property taxes	$	2,191,733
Trade receivables		134,052
Less: Allowance for doubtful accounts		(93,000)
Total Receivables	$	2,232,785

Note 5 - Internal Balance

The District reports interfund balances between some of its funds. Balances result from the time lag between the dates when interfund goods or services are provided, transactions are recorded in the accounting system and the payments between funds are made, or resources held in one fund on behalf of another fund. Interfund balances are generally expected to be repaid within one year of the financial statement date.

The following interfund receivables and payables are included in the fund financial statements:

	Due From Other Funds	Due to Other Funds
General Fund	$ -	$ 3,409
EMS Fund	3,409	-
Totals	$ 3,409	$ 3,409

Note 6 - Change in Capital Assets

The following is a summary of the changes in capital assets:

Note 6 - Change in Capital Assets (Continued)

Governmental Activities	Balance 12-31-21	Additions	Deletions	Balance 12-31-22
Capital assets, not depreciated				
Land	$ 77,548	$ -	$ -	$ 77,548
In progress	-	184,965	-	184,965
Capital Assets - Not depreciated	77,548	184,965	-	262,513
Capital assets, depreciated				
Buildings and improvements	598,056	-	-	598,056
Equipment	943,708	274,248	-	1,217,956
Trucks	2,312,137	185,226	2,500	2,494,863
Capital Assets Depreciated	3,853,901	459,474	2,500	4,310,875
Accumulated depreciation	(2,627,693)	(135,564)	(903)	(2,762,354)
Total Capital Assets Depreciated, Net	1,226,208	323,910	1,597	1,548,521
Governmental Activities Capital Assets, Net	$ 1,303,756	$ 508,875	$ -	$ 1,811,034

Depreciation expense by function:	
General Government	$ 12,211
Public Safety	123,353
	$ 135,564

Note 7 - Firemen's Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description

The District contributes to a defined benefit pension plan called the Florence Volunteer Firemen's Pension Plan. The plan was adopted and first effective September 1, 1998. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The benefit provisions are established and may be amended by the Florence Fire Protection District Board of Directors under the provisions of applicable State statutes. The plan is affiliated with the Volunteer Firefighter Defined Benefit Pension Plan, which is an agent multiple-employer Public Employee Retirement System (PERS) and is administered by the Fire and Police Pension Association (FPPA). FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Florence Volunteer Firemen's Pension Plan. That report may be obtained by contacting FPPA directly or on FPPA's website at http://www.fppaco.org.

Note 7 - Firemen's Pension Plan (Continued)

Plan Description (Continued)

All active members of the District are eligible to participate. Membership in the plan, per the latest actuarial study dated January 1, 2023, is 39 active members and 36 retired members.

Benefits Provided

Retirement and death benefits are paid in accordance with the plan provisions. Full retirement is when the retiree has twenty years of qualified service and is at least 50 years of age. Death benefits are a one time lump sum payment. The current maximum monthly benefit is $375.

Funding Policy

The contribution requirements of the plan members and the District are established and may be amended by the Florence Fire Protection District Board of Directors under the provisions of applicable State statutes.

The matching contribution requirements of the State are established and may be amended by the State legislature. The plan covers only volunteer firefighters. As such, plan members are not required nor allowed to contribute to the plan, and employer contributions have no relationship to any payroll the District may have. The District is required to contribute one mill based on the total assessed valuation each year. The State is required to contribute 90% of District appropriations from the General Fund to the Pension Trust Fund, up to a maximum of a one half mill levy on total assessed valuation. Benefits were paid in excess of $300 per month which made the District subject to the state contribution limitation.

During the year ended December 31, 2022 the District contributed $158,821 and the State contributed $28,851.

Funded Status and Funding Progress

As of January 1, 2023, the most recent actuarial valuation date, the Plan was 179% funded. The actuarial liability for accrued benefits was $1,684,107, and the actuarial value of the assets was $3,017,048, resulting in an excess of $1,332,941. Since the plan covers volunteer firefighters only there is no covered payroll.

The schedule of changes in net pension liability / (asset) and related ratios and the schedule of District contributions, presented as RSI following the notes to the financial statements, presents multi-year information for the pension plan. Actuarial studies are compiled on January 1 of odd numbered years.

Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, the District reported an asset of $1,301,220 for its proportionate share of the net pension liability / asset. The net pension asset was measured as of December 31, 2021 and the total pension liability / asset used to calculate the net pension liability / asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability / asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the contributions of the District and all participants, actuarially determined. At December 31, 2021, the District's portion was 170.82%.

As a result of its requirement to contribute to FPPA, the District recognized income of $284,222 for the year ended December 31, 2022. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to FPPA:

Note 7 - Firemen's Pension Plan (Continued)

Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 8,270	$ -
Changes in assumptions	6,224	-
Net difference between projected and actual earnings on pension plan investments	31,135	325,954
	$ 45,629	$ 325,954

Deferred outflows and inflows will be recognized in pension expense in future years as follows:

Year ending December 31:	
2023	$ (59,881)
2024	(103,280)
2025	(73,752)
2026	(43,412)
2027	-
Thereafter	-
	$ (280,325)

Actuarial Methods and Assumptions

In the January 1, 2023 actuarial valuation, the actuarial assumptions included:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open*
Remaining amortization period	20 years*
Asset valuation method	5 year smoothed fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	50 years of age with 20 years of service 50% per year of eligibility until 100% at age 65
Mortality	**Pre-retirement:** 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. **Post retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. **Disable:** 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.

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

Note 7 - Firemen's Pension Plan (Continued)

Actuarial Methods and Assumptions (Continued)

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	Long-Term Expected Nominal Rate of
Cash	2.00%	2.32%
Fixed Income - Rates	10.00%	4.00%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Equity	39.00%	8.23%
Private Markets	26.00%	10.63%
Total	100.00%	

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount rate of 7.0%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 6.0%	Current Single Discount Rate Assumption 7.0%	1% Increase 8.0%
District's proportionate share of the net pension liability / (asset)	$ (1,122,189)	$ 1,301,220	$ 1,452,277

Note 8 - Employee Benefits

The District maintains a Simple IRS Plan covering substantially all employees. Each employee must contribute at least 3% of compensation and the District is required to contribute 3% of each eligible participant's compensation. Employees' will be 100% vested in this program from when it is opened. Employees are eligible 30 days after full time employment. During 2022 employees contributed $7,873 to the plan and the Districts' required contribution to the plan was $7,873.

Note 9 - Net Position and Fund Balance Classifications

The specific purposes for each Net Position classification on the Statement of Financial Position are detailed in the table below:

Invested in capital assets net of related debt	$ 1,811,034
Restricted	
Tabor	33,000
Firemen's pension fund	1,020,895
Restricted	2,259,241
Unrestricted	2,372,810
	$ 7,496,980

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below:

	General Fund	EMS Fund	Capital Improvement	Totals
Non-spendable				
Prepaids	$ 3,834	$ 7,354	$ -	$ 11,188
Inventory	-	95,681	-	95,681
Restricted				
Tabor	$ 33,000	-	-	33,000
Restricted	-	941,227	1,318,014	2,259,241
Unassigned	$ 2,281,206	-	-	2,281,206
Total Fund Balances	$ 2,318,040	$ 1,044,262	$ 1,318,014	$ 4,680,316

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FLORENCE FIRE PROTECTION DISTRICT
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General property taxes	$ 2,254,169	$ 1,000,198	$ 846,351	$ (153,847)
Penalty and interest	2,000	2,000	10,316	8,316
Specific ownership taxes	79,000	79,000	126,325	47,325
Interest income	1,000	1,000	41,397	40,397
Charges for services	30,000	30,000	-	(30,000)
Other revenues	1,863	1,863	6,778	4,915
Total Revenues	2,368,032	1,114,061	1,031,167	(82,894)
Expenditures				
Capital outlay	-	-	112,607	(112,607)
Contingency reserve	50,500	50,500	-	50,500
EMS expenses	1,253,971	-	-	
Insurance	35,000	35,000	35,168	(168)
Salaries	78,600	249,394	205,414	43,980
Supplies and expenses				
Administration	13,000	13,000	36,546	(23,546)
Fire fighting	36,000	36,000	61,425	(25,425)
Fire prevention	1,000	1,000	450	550
Training	2,000	2,000	5,541	(3,541)
Communications	45,000	25,000	29,675	(4,675)
Equipment repair	25,000	25,000	11,379	13,621
Medical	1,000	1,000	2,006	(1,006)
Stations, buildings and grounds	35,000	25,000	18,803	6,197
Treasurer's fees	20,000	30,000	67,853	(37,853)
Total Expenditures	1,596,071	492,894	586,867	(93,973)
Excess of Revenue Over (Under) Expenditures	771,961	621,167	444,300	(176,867)
Other Financing Sources (Uses)				
Transfers in (out)	(50,000)	(50,000)	(51,000)	(1,000)
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	721,961	571,167	393,300	(177,867)
Fund Balance - Beginning	1,965,570	1,965,570	1,924,740	(40,830)
Fund Balance - Ending	$ 2,687,531	$ 2,536,737	$ 2,318,040	$ (218,697)

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - EMS FUND
FLORENCE FIRE PROTECTION DISTRICT
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General property taxes	$ 1,253,871	$ 1,253,871	$ 1,258,217	$ 4,346
Specific ownership taxes	88,000	88,000	158,383	70,383
Charges for services	192,000	192,000	233,659	41,659
Interest income	500	500	18,236	17,736
Other revenue	225,279	225,279	479,536	254,257
Total Revenues	1,759,650	1,759,650	2,148,031	388,381
Expenditures				
Administrative expenses	10,000	10,000	30,887	(20,887)
Capital outlay	225,279	225,279	409,675	(184,396)
Communications	45,000	45,000	9,933	35,067
Employee benefits	217,140	217,140	77,711	139,429
Equipment repair	25,000	25,000	10,230	14,770
Insurance	25,000	25,000	7,776	17,224
Medical	1,050	1,050	710	340
Salaries	687,340	687,340	498,395	188,945
Supplies	130,000	130,000	50,499	79,501
Station, Buildings & Grounds	12,000	12,000	8,923	3,077
Training	2,000	2,000	30	1,970
Treasurer's fees	48,000	48,000	-	48,000
Total Expenditures	1,427,809	1,427,809	1,104,769	323,040
Excess of Revenues Over (Under) Expenditures	331,841	331,841	1,043,262	711,421
Other Financing Sources (Uses)				
Transfers in (out)	-	-	1,000	1,000
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	331,841	331,841	1,044,262	712,421
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ 331,841	$ 331,841	$ 1,044,262	$ 712,421

The financial statements are an integral part of this statement.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
FLORENCE FIRE PROTECTION DISTRICT
December 31, 2022

Measurement Period Ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 12,408	$ 8,524	$ 8,524	$ 12,668	$ 12,668	$ 11,570	$ 11,570	$ 8,144
Interest on the total pension liability	125,422	101,801	105,683	108,327	110,338	108,658	110,735	73,278
Benefit changes	-	395,354	-	-	-	-	-	537,213
Difference between expected and actual experience of the total pension liability	-	7,416	-	44,666	-	(11,093)	-	32,708
Changes of assumptions	-	-	-	55,008	-	60,606	-	-
Benefit payments	(169,275)	(185,550)	(154,320)	(152,017)	(147,720)	(148,020)	(151,920)	(155,220)
Net Change in Total Pension Liability	(31,445)	327,545	(40,113)	68,652	(24,714)	21,721	(29,615)	496,123
Total Pension Liability - Beginning	1,868,854	1,541,309	1,581,422	1,512,770	1,537,484	1,515,763	1,545,378	1,049,255
Total Pension Liability - Ending	$ 1,837,409	$ 1,868,854	$ 1,541,309	$ 1,581,422	$ 1,512,770	$ 1,537,484	$ 1,515,763	$ 1,545,378
Plan Fiduciary Net Position								
Contributions - Employer	141,791	143,724	127,910	134,778	135,400	139,018	$ 86,287	$ 105,540
Net investment income	408,632	320,915	300,415	170	261,369	92,221	28,621	104,013
Benefit payments	(169,275)	(185,550)	(154,320)	(152,017)	(147,720)	(148,020)	(151,920)	(155,220)
Pension plan administrative expense	(14,743)	(12,867)	(19,565)	(18,498)	(20,527)	(2,946)	(3,658)	(2,776)
State of Colorado supplemental discretionary payment	28,851	64,645	64,327	66,336	67,777	44,330	50,632	51,588
Net Change in Plan Fiduciary Net Position	395,256	330,867	318,767	30,769	296,299	124,603	9,962	103,145
Plan Fiduciary Net Position - Beginning	2,743,373	2,412,506	2,093,739	2,062,970	1,766,671	1,642,068	1,632,106	1,528,961
Plan Fiduciary Net Position - Ending	$ 3,138,629	$ 2,743,373	$ 2,412,506	$ 2,093,739	$ 2,062,970	$ 1,766,671	$ 1,642,068	$ 1,632,106
Net Pension Liability (Asset)	$ (874,519)	$ (874,519)	$ (871,197)	$ (512,317)	$ (550,200)	$ (229,187)	$ (126,305)	$ (86,728)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	170.82%	146.79%	156.52%	132.40%	136.37%	114.91%	108.33%	105.61%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will report ten years of data when available

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

SCHEDULE OF DISTRICT CONTRIBUTIONS

FLORENCE FIRE PROTECTION DISTRICT

December 31, 2022

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2013	$ 151,350	$ 151,350	$ -	N/A	N/A
2014	$ 157,128	$ 157,128	$ -	N/A	N/A
2015	$ 136,919	$ 136,919	$ -	N/A	N/A
2016	$ 183,348	$ 183,348	$ -	N/A	N/A
2017	$ 203,177	$ 203,177	$ -	N/A	N/A
2018	$ 201,114	$ 201,114	$ -	N/A	N/A
2019	$ 192,237	$ 192,237	$ -	N/A	N/A
2020	$ 208,369	$ 208,369	$ -	N/A	N/A
2021	$ 170,642	$ 170,642	$ -	N/A	N/A
2022	$ 187,672	$ 187,672	$ -	N/A	N/A

This schedule will report ten years of data when available.

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

OTHER SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - CAPITAL IMPROVEMENT FUND
FLORENCE FIRE PROTECTION DISTRICT
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General property taxes	$ 94,048	$ 94,048	$ 94,364	$ 316
Penalty and interest	-	-	925	925
Interest income	-	-	23,377	23,377
Other income	-	-	-	-
Total Revenues	94,048	94,048	118,666	24,618
Expenditures				
Treasurer's fees	2,700	2,700	2,845	(145)
Capital outlay	50,000	50,000	122,157	(72,157)
Total Expenditures	52,700	52,700	125,002	(72,302)
Excess of Revenues Over (Under) Expenditures	41,348	41,348	(6,336)	(47,684)
Other Financing Sources (Uses)				
Transfers in (out)	50,000	50,000	50,000	-
Excess of Revenues and Other Sources Over (Under) Expenses and Other Uses	91,348	91,348	43,664	(47,684)
Fund Balance - Beginning	1,246,791	1,246,791	1,274,350	27,559
Fund Balance - Ending	$ 1,338,139	$ 1,338,139	$ 1,318,014	$ (20,125)

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