



FINANCIAL STATEMENTS

AND

REQUIRED SUPPLEMENTAL INFORMATION

WITH

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	3
Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Governmental Fund	
Balance Sheet	10
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balance	12
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	13
Notes to Financial Statements	14
Required Supplemental Information (Unaudited)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Non-GAAP Basis)	36
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios - Volunteer Firefighter Pension Plan	37
Schedule of Employer Contributions	38
Notes to Required Supplemental Information	39



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Divide Fire Protection District
Divide, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of Divide Fire Protection District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information as presented 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 supplemental 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.

CBIZ CPAs P.C.¹

Colorado Springs, Colorado
November 5, 2024

¹ In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

***MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)***

**DIVIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

This discussion and analysis of Divide Fire Protection District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the basic financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

Government-Wide Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,317,024 which represents the ending net position.
- The net position decreased by \$11,818 from the prior year. Approximately 45% of the net position, \$591,534, is available for spending at the District's discretion, as reflected in unrestricted net position.

General Fund Financial Highlights

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$380,637, which represents the ending fund balance.
- The ending fund balance increased by \$9,793 from the prior year. Approximately 96% of the total fund balance, \$365,144, is available for spending at the District's discretion, as reflected in the unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements presented are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other supplemental information in addition to the financial statements.

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

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 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.

**DIVIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Both government-wide financial statements distinctively report governmental activities of the District that are principally supported by property taxes. Governmental activities of the District include fire, rescue, and emergency services within its boundaries. In addition, the District maintains mutual aid and automatic aid agreements with adjacent fire protection districts. Other activities include fire prevention and fire safety education, fire training, fire inspections, and plan reviews.

Fund Financial Statements - A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant funds, not the District as a whole. The District has one fund, the General Fund, which is a governmental fund.

Governmental Funds - The District's basic services are included in this governmental fund, which focuses on (1) how money flows into and out of the fund and (2) the balances left at year-end that are available for spending or reserves. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's programs.

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. Thus, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance.

Notes to the Financial Statements - The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplemental Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information concerning the District. The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget. The District also presents schedules of the change in their net pension liability/(asset) and related ratios for their volunteer firefighter pension plan and employer contributions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over a period of time, as a useful indicator of the District's financial position. In the case of the District, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,317,024 as of December 31, 2023, as reflected in the total net position. Approximately 54% of the District's net position is in net investments in capital assets.

**DIVIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

**Condensed Statement of Net Position
Two-Year Comparison**

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Assets			
Current Assets	\$ 1,297,516	\$ 761,793	\$ 535,723
Net Pension Asset	208,486	263,703	(55,217)
Capital Assets, Net	1,001,039	1,115,320	(114,281)
Total Assets	<u>2,507,041</u>	<u>2,140,816</u>	<u>366,225</u>
Deferred Outflow of Resources	<u>113,980</u>	<u>26,133</u>	<u>87,847</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,621,021</u>	<u>\$ 2,166,949</u>	<u>\$ 454,072</u>
Liabilities			
Current	\$ 83,878	\$ 88,291	\$ (4,413)
Long-term	222,257	290,649	(68,392)
Total Liabilities	<u>306,135</u>	<u>378,940</u>	<u>(72,805)</u>
Deferred Inflow of Resources	<u>997,862</u>	<u>459,167</u>	<u>538,695</u>
Net Position			
Net Investment in Capital Assets	710,390	758,398	(48,008)
Restricted	15,100	27,700	(12,600)
Unrestricted	591,534	542,744	48,790
Total Net Position	<u>1,317,024</u>	<u>1,328,842</u>	<u>(11,818)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 2,621,021</u>	<u>\$ 2,166,949</u>	<u>\$ 454,072</u>

The Net Volunteer Pension Asset decreased during the current year for various reasons, including net investment income loss of approximately \$59,165, but was partially offset by a net liability of approximately \$18,390. A combination of other factors, including employer contributions, benefit payments, plan administrative expenses, and the state payment limited the net increase in the plan asset. Overall, the Plan Fiduciary Net Position as a Percentage of Total Pension Liability is approximately 145%, which maintains a healthy liability coverage and falls within the coverage range for the District's Plan determined by the actuarial studies conducted over the last five years. The District entered into the Statewide Defined Benefit Plan as a result of hiring a full time paid Chief position in 2023.

Liabilities decreased in part because the District paid down the principal for two capital lease purchases.

**DIVIDE FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

**Condensed Statement of Activities
Two-Year Comparison**

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Expenses			
General and Administrative	\$ 287,702	\$ 230,546	\$ 57,156
Firefighting and Rescue	236,805	222,383	14,422
Total Expenses	<u>524,507</u>	<u>452,929</u>	<u>71,578</u>
Revenues			
Program Revenues			
Charges for Services	13,810	30,063	(16,253)
Grants and Contributions	62,191	100,397	(38,206)
General Revenues			
Property Taxes	374,806	381,218	(6,412)
Specific Ownership Taxes	40,351	38,711	1,640
Miscellaneous	1,594	4,726	(3,132)
Investment Earnings	19,937	7,992	11,945
Gain on Sales of Capital Assets	-	20,000	(20,000)
Total Revenues	<u>512,689</u>	<u>583,107</u>	<u>(70,418)</u>
Change in Net Position	(11,818)	130,178	(141,996)
Net Position - Beginning of Year	<u>1,328,842</u>	<u>1,198,664</u>	<u>130,178</u>
Net Position - End of Year	<u>\$ 1,317,024</u>	<u>\$ 1,328,842</u>	<u>\$ (11,818)</u>

Expenses increased during 2023 in large part because of the addition of a paid Chief’s payroll and benefits. Other increased spending of approximately \$17,000 was in the area of training and apparatus repair and maintenance. The increase in expenditures were partially offset by having no election costs, and decreased legal expenses.

Property tax revenue remained fairly constant, going down by only \$6,412. Grant revenues decreased by approximately \$38,206, mainly through the receipt of an EMTS grant in 2022.

GENERAL FUND FINANCIAL ANALYSIS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District accounts for all activity in a single general fund. As discussed on page 4, the general fund is the operating fund of the District. The ending fund balance was \$380,637 as reflected on page 10 of the financial statements. Of this amount, \$15,100 was restricted by the Taxpayer’s Bill of Rights (TABOR).

**DIVIDE FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

BUDGETARY HIGHLIGHTS

The District’s 2023 final budget had a total revenue amount of \$500,051. The District ended the year with a total actual revenue amount of \$512,689, representing a favorable variance of \$12,638. The District’s final budget had total expenditures of \$834,042. The District ended the year with actual audited expenditures of \$502,896.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2023, was \$1,001,039. Additional information relating to the District's capital assets activity can be found in Note 3 to the financial statements.

	December 31,	
	2023	2022
Land and Improvements	\$ 151,518	\$ 151,518
Building and Improvements	199,066	211,967
Vehicles and Equipment	650,455	751,836
Total	\$ 1,001,039	\$ 1,115,321

ECONOMIC FACTORS (Next Year’s Budget and Rates)

In 2024, the District will start collecting the higher net general property tax revenue from the voter-approved mill levy increase. Teller County assessed property valuations continue to trend upwards, but there is a ballot measure that could impose a cap on property assessments increases. It remains to be seen what kind of impact legislative changes may have on property tax revenues if the measure passes with real estate values remaining strong in the region. The District will also be hiring two full-time and four part-time paid firefighters in 2024 and will incur the associated expenses of payroll, pension, insurance and taxes, all of which will be reflected in the 2024 budget.

REQUESTS 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 District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Divide Fire Protection District, P.O. Box 941, Divide, CO 80814.

FINANCIAL STATEMENTS

**DIVIDE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 14,133
Cash Held by County Treasurer	2,442
Investments	341,452
Accounts Receivable	33,552
Property Tax Receivable	905,544
Prepaid Expenses	393
Net Pension Asset	208,486
Capital Assets, Net	1,001,039
Total Assets	\$ 2,507,041
Deferred Outflows of Resources	
Pension - Volunteer	108,428
Pension - SWDB	5,552
Total Deferred Outflows of Resources	\$ 113,980
Total Assets and Deferred Outflows of Resources	\$ 2,621,021
Liabilities	
Accounts Payable	\$ 3,714
Accrued Liabilities	7,621
Accrued Interest Payable	4,151
Lease Purchases Payable	
Due Within One Year	68,392
Due in More Than One Year	222,257
Total Liabilities	\$ 306,135
Deferred Inflows of Resources	
Property Taxes	\$ 905,544
Pension - Volunteer	92,318
Total Deferred Inflows of Resources	\$ 997,862
Total Liabilities and Deferred Inflows of Resources	\$ 1,303,997
Net Position	
Net Investment in Capital Assets	\$ 710,390
Restricted for Emergencies	15,100
Unrestricted	591,534
Total Net Position	\$ 1,317,024

See Independent Auditors' Report and Notes to Financial Statements

**DIVIDE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Program Expense
Functions/Programs					
Governmental Activities					
General and Administrative	\$ 287,702	\$ -	\$ -	\$ -	\$ (287,702)
Firefighting and Rescue	236,805	13,810	27,446	34,745	(160,804)
Total Governmental Activities	\$ 524,507	\$ 13,810	\$ 27,446	\$ 34,745	(448,506)
General Revenues					
General Property Tax					374,806
Specific Ownership Tax					40,351
Miscellaneous					1,594
Investment Earnings					19,937
Total General Revenues					436,688
Change in Net Position					(11,818)
Net Position - Beginning					1,328,842
Net Position - Ending					\$ 1,317,024

See Independent Auditors' Report and Notes to Financial Statements

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

ASSETS

Assets

Cash and Cash Equivalents	\$	14,133
Cash Held by County Treasurer		2,442
Investments		341,452
Accounts Receivable		33,552
Property Tax Receivable		905,544
Prepaid Expenses		393
Total Assets	\$	<u>1,297,516</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$	3,714
Accrued Liabilities		7,621
Total Liabilities		<u>11,335</u>

Deferred Inflow of Resources

Property Tax		905,544
Total Deferred Inflow of Resources		<u>905,544</u>

Fund Balance

Restricted for Emergencies		15,100
Non-spendable		393
Unassigned		365,144
Total Fund Balance		<u>380,637</u>

**Total Liabilities, Deferred Inflow of Resources
and Fund Balance**

\$ 1,297,516

**DIVIDE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Fund Balance - Governmental Fund	\$	380,637
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Amounts reported for governmental activities in the statement of net position are different because:

The net pension asset and related deferred items are not available for current period expenditures and are therefore not reported in the governmental funds.

Net Pension Asset		208,486
Deferred Outflows of Resources - Pension - Volunteer		108,428
Deferred Outflows of Resources - Pension - SWDB		5,552
Deferred Inflows of Resources - Pension		(92,318)

Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.

Capital Assets		3,034,030
Accumulated Depreciation		(2,032,991)

Accrued interest is not due and payable in the current period, and therefore is not reported as a liability in the governmental funds.

Accrued Interest at End of Year		(4,151)
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Lease purchases payable are not due and payable in the current period, and therefore are not reported as liabilities in governmental funds.

		(290,649)
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Total Net Position - Governmental Activities	\$	1,317,024
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**DIVIDE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2023**

Revenues

Property Taxes	\$	374,806
Specific Ownership Tax		40,351
Interest Income		19,937
Charges for Service		13,810
Grant Revenue		34,745
Volunteer Revenue		27,446
Miscellaneous		1,594
Total Revenues		512,689

Expenditures

Administration		101,586
Communications		1,693
Firefighting and Rescue		41,088
Payroll		186,267
Pension		17,552
Station, Buildings, and Grounds		10,137
Training		23,152
Utilities		6,663
Vehicles		34,882
Capital Outlay		3,555
Debt Service		
Lease Purchase Interest		10,047
Lease Purchase Principal		66,274
Total Expenditures		502,896

Net Change in Fund Balance 9,793

Fund Balance - Beginning 370,844

Fund Balance - Ending \$ 380,637

**DIVIDE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balance - Total Governmental Funds \$ 9,793

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

Changes in the net pension asset and related deferrals do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 25,278

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays.

Depreciation Expense	(117,837)
Capital Expenditures	3,555

Governmental funds report lease payments as expenses when paid, including principal payments. However, in the statement of activities the lease is capitalized and only interest is recognized as an expense when paid or accrued.

Lease Purchase Payment (Principal)	66,274
Prior year accrued interest	5,270
Current Year Interest Accrual	(4,151)

Change in Net Position - Governmental Activities	\$ (11,818)
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NOTES TO FINANCIAL STATEMENTS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Divide Fire Protection District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting policies that are described below. The following is a summary of the significant accounting policies.

Reporting Entity - The District, a political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Teller County, Colorado.

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

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

Government-Wide and Fund Financial Statements

Government-Wide 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. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, liabilities and deferred inflows and outflows of resources of the District is reported as net position.

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

Fund Financial Statements - Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, net assets, revenues, and expenditures-expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

The District reports the following major governmental fund:

General Fund - The general fund is the District's primary operating fund. It accounts for all financial resources of the general government.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has 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. Expenditures, other than interest on long-term obligations, generally are recorded when a liability is incurred, or the long-term obligation is paid.

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets - In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the District.

Investments – Investments for the District are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment.

Accounts Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of December 31, 2023, the district has deemed an allowance for uncollectible accounts unnecessary as all balances are expected to be collected.

Property Tax Receivable - Taxes receivable include current year property taxes, which become payable January 1 of the following year.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities' column of the government-wide financial statements. Capital assets are defined by the District as those assets with a cost of \$2,500 or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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. Major outlays for capital assets and improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings and Improvements	40 Years
Equipment and Vehicles	5-10 Years

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

Compensated Absences - The District does not have a policy that allows employees to accumulate unused benefits. Therefore, these financial statements do not include a provision for accumulated compensated absences.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accrued Liabilities and Long-Term Obligations - In the government-wide financial statements, all payables, accrued liabilities, long-term debt, and other long-term obligations are reported as liabilities in the statement of net position.

Once incurred, governmental fund payables and accrued liabilities are generally reported as obligations of the fund and are paid in a timely manner, and in full, from current financial resources. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Property Taxes and Deferred Inflows of Resources – Property taxes are levied based on assessed valuations determined by the County Assessor, generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The taxes are payable by April or in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November and December. The County Treasurer remits taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Net Position - Net position classification in the Government-Wide financial statements are as follows:

Net Investment in Capital Assets – The portion of net position that consists of capital assets net of accumulated depreciation, reduced by any outstanding debt attributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Position – The portion of net position that consists of restrictions created by external creditors, grantors, contributors, laws or regulations of the other governments, enabling legislation and constitutional provisions.

Unrestricted Net Position - The residual net position not classified in the two categories above.

Fund Balances - Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balances: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

Restricted - 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Committed - 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 - The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned - The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Use of Estimates - The preparation of financial statements, in conformity with GAAP, requires that District management make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosures of contingent assets, liabilities and deferred inflows and outflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 1 – CASH AND CASH EQUIVALENTS

Cash Deposits - The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2023, the federal insurance limit was \$250,000. The eligible collateral is determined by the PDPA.

PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not adopted a deposit policy for custodial credit risk. None of the District's deposits at December 31, 2023 were exposed to credit risk.

At December 31, 2023, the District's cash deposits had bank balances of \$17,125 and carrying balances of \$14,133.

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

NOTE 2 – INVESTMENTS

The District has not adopted a formal investment policy but follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District.

The District primarily limits its investments to money market funds, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

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

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain securities lending agreements
- Certain certificates of participation
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The local government investment pool, which includes the Colorado Local Government Liquid Asset Trust (COLOTrust), is rated AAAM by Standard & Poor's.

As of December 31, 2023, the District had the following investments, recorded at fair value:

<u>Investment</u>	<u>Maturity</u>	
Colorado Liquid Asset Trust (COLOTrust)	Weighted Average Under 60 Days	<u>\$ 341,452</u>

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

NOTE 2 – INVESTMENTS - Continued

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

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

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1 per share. The investment pool financial statements can be obtained at www.colotrust.com.

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

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ 151,518	\$ -	\$ -	\$ 151,518
Capital Assets Being Depreciated				
Buildings	488,949	-	-	488,949
Vehicles and Equipment	2,392,740	3,555	(2,732)	2,393,563
Total Capital Assets Being Depreciated	<u>2,881,689</u>	<u>3,555</u>	<u>(2,732)</u>	<u>2,882,512</u>
Less Accumulated Depreciation				
Building	(276,984)	(12,899)	-	(289,883)
Vehicles and Equipment	(1,640,902)	(104,938)	2,732	(1,743,108)
Total Accumulated Depreciation	<u>(1,917,886)</u>	<u>(117,837)</u>	<u>2,732</u>	<u>(2,032,991)</u>
Total Capital Assets Being Depreciated, Net	<u>963,803</u>	<u>(114,282)</u>	<u>-</u>	<u>849,521</u>
Total Capital Assets, Net	<u>\$ 1,115,321</u>	<u>\$ (114,282)</u>	<u>\$ -</u>	<u>\$ 1,001,039</u>

Depreciation expense of \$117,837 for the year ended December 31, 2023, was charged to the Firefighting and Rescue function, of which \$55,567 was related to lease purchase agreements.

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

NOTE 4 – LEASE PURCHASES PAYABLE

Vehicle Leases - On April 17, 2020, the District entered into a \$110,000 lease purchase agreement with a bank with an effective interest rate of 3.510%, for five years, with payments of \$23,533, principal and interest, due each March 1 through March 1, 2025. On April 22, 2022, the District entered into another lease purchase agreement for \$292,236 with an effective interest rate of 2.890%, for five years, with biannual payments of interest due on March 1 and September 1 and principal payments due each March 1 through March 1, 2028. The total of the annual payments of interest and principal equate to \$53,536. The proceeds of the leases were used to acquire a new vehicle with apparatus and a new fire engine.

The following is a summary of the changes in the District's lease purchase agreements for the year ended December 31, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital Leases:					
Brush 22	\$ 64,686	\$ -	\$ (19,987)	\$ 44,699	\$ 21,964
Engine 24	292,236	-	(46,286)	245,950	46,428
Total	<u>\$ 356,922</u>	<u>\$ -</u>	<u>\$ (66,273)</u>	<u>\$ 290,649</u>	<u>\$ 68,392</u>

For financial statement presentation, the lease obligations have been capitalized and the vehicles recorded as assets of the District. The gross amount of assets recorded under lease purchase agreements is \$555,672 with accumulated depreciation of \$126,661.

The annual lease purchase payment schedule is as follows for the year ending:

<u>December 31</u>	<u>Interest</u>	<u>Principal</u>	<u>Annual Payment</u>
2024	\$ 8,006	\$ 68,392	\$ 76,398
2025	5,874	70,504	76,378
2026	3,676	49,150	52,826
2027	2,235	50,570	52,805
2028	752	52,033	52,785
Total Minimum Lease Payments	<u>\$ 20,543</u>	<u>\$ 290,649</u>	311,192
Less Amount Representing Interest			(20,543)
Net Present Value of Future Minimum Payments			<u>\$ 290,649</u>

Debt authorization - At December 31, 2023, the District had no authorized but unissued indebtedness.

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

NOTE 5 – NET POSITION

The District reports net position consisting of three components - net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of leases, bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

As of December 31, 2023, the District had net investment in capital assets as follows:

Capital Assets, Net	\$ 1,001,039
Outstanding Leases Payable	<u>(290,649)</u>
Net Investment in Capital Assets	<u>\$ 710,390</u>

Restricted net position is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2023, the District had restricted net position for emergencies (Note 11) of \$15,100.

NOTE 6 – AGREEMENTS

The District entered into an intergovernmental agreement with Rainbow Valley Water District (Rainbow Valley) on October 10, 2003, wherein the parties constructed a shared garage facility to be used by both parties to house their respective equipment. The District contributed \$40,000 towards the construction of the facility. Rainbow Valley shall own the shared garage facilities, and the District will be provided a 99-year lease and 40 percent of the facility in exchange for their contribution. The lease was effective November 1, 2003. The general repair and maintenance of the building is the responsibility of Rainbow Valley.

The District entered into an intergovernmental agreement with Northeast Teller County Fire Protection District in January, 2022, for vehicle maintenance services. Northeast Teller County Fire Protection District will provide estimates, in-shop repairs, preventative maintenance, parts ordering, referrals for complex repairs, and inspection of third-party repairs. In exchange for these services, the District will be subject to charges composed of an hourly rate, costs of parts, and costs of outsourcing as detailed in monthly invoices provided by Northeast Teller County Fire Protection District.

NOTE 7 – VOLUNTEER PENSION PLAN

Plan Description – The District is affiliated with the Fire & Police Pension Association (FPPA) to administer the Divide Fire Protection District Volunteer Pension Fund (VPF). The FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at FPPAco.org.

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

NOTE 7 – VOLUNTEER PENSION PLAN - Continued

The VPF provides normal retirement benefits, vested retirement benefits, and funeral benefits. The following benefit provisions were used to determine the District’s pension liability at the measurement date of December 31, 2022:

Normal Retirement Benefit at Age 50 with 20 Years of Service (Monthly):	
Regular	\$ 299.00
Vested Retirement Benefit (Monthly):	
With 10 to 20 Years of Service Amount Per Year of Service Per Minimum Vesting Year	\$ 14.95
Minimum Vesting Years	10
Funeral Benefits (Required Benefit)	
Funeral Benefit Lump Sum. One Time Only	\$ 200.00

As of January 1, 2023, the latest actuarial valuation date, there were 25 active members, 11 retirees and beneficiaries, and no inactive, non-retired members.

Funding Policy - The District contributes an amount annually to the plan based on prior contribution plus a cost of living adjustment. The contribution by the State of Colorado (State) toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half mill on the assessed valuation or 90% of District contributions, whichever is less. Contributions to the VPF for the year ended December 31, 2023, was \$12,000 from the District.

Net Pension Asset - At December 31, 2023, the VPF reported a net pension asset of \$208,486. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023.

For the year ended December 31, 2023, the District recognized pension benefit relating to the VPF of \$7,726.

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

NOTE 7 – VOLUNTEER PENSION PLAN - Continued

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual		
Experience	\$ 156	\$ 39,862
Assumption Changes	7,462	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	88,810	52,456
District Contributions Subsequent to Measurement Date	12,000	-
Total	<u>\$ 108,428</u>	<u>\$ 92,318</u>

The \$12,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an adjustment against the net pension asset in the year ended December 31, 2024.

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

<u>Fiscal Years Ended December 31,</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (11,948)
2025	(4,821)
2026	4,276
2027	16,603
2028	-
Thereafter	-
	<u>\$ 4,110</u>

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

NOTE 7 – VOLUNTEER PENSION PLAN - Continued

Actuarial Assumptions – Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021, determines the contribution amounts for 2022 and 2023. The contribution rates for the fiscal year ending December 31, 2022 were determined using the following methods and assumptions:

Actuarial Cost Method	Entry age normal
Amortization Methods	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% 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. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

The total pension liability is based on an actuarial valuation performed as of January 1, 2023, and a measurement date of December 31, 2022. This measurement date is within one year of the plan sponsor’s fiscal year end of December 31, 2023, and may be used for December 31, 2023, reporting purposes.

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

NOTE 7 – VOLUNTEER PENSION PLAN - Continued

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Nominal Rate of Return</u>
Cash	1.00 %	3.92 %
Fixed Income - Rates	10.00 %	5.45 %
Fixed Income - Credit	5.00 %	6.90 %
Absolute Return	9.00 %	6.49 %
Long Short	6.00 %	7.47 %
Global Equity	35.00 %	8.93 %
Private Markets	34.00 %	10.31 %
Total	100.00 %	

Single Discount Rate - Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the 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 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 7.00%; the municipal bond rate is 4.05% (based on the weekly rate closest to but no 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%.

Sensitivity of the Pension Liability/(Asset) To Changes In The Discount Rate - The following presents the VPF net pension liability/(asset), calculated using a Single Discount Rate of 7.00%, as well as what the VPF net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

<u>1% Dncrease 6.00%</u>	<u>Current Single Discount Rate Assumption 7.00%</u>	<u>1% Increase 8.00%</u>
\$ (153,894)	\$ (208,486)	\$ (253,893)

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

NOTE 8 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN

Plan Description - The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. As of January 1, 2023, the Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (the Plan) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and assets. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <https://www.FPPAco.org>.

Description of Benefits – A member is eligible for a normal retirement pension once the member has completed twenty-five 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 2.0 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from zero to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for 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 5.0 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 2.0 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

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

NOTE 8 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

A member may elect to participate in the DROP after reaching eligibility for Normal Retirement, Early Retirement, or Vested Retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or, if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions, which are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2022 was \$101,675,410. This amount was not included in the Plan Net Position.

Contributions – 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 Plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the Plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2022. 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 6.0 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

The year ended December 31, 2023 was the District's first year participating in the Plan; therefore, the contributions made were not inclusive within the measurement date of December 31, 2022 and present only as deferred outflows of resources. The \$5,552 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an adjustment against the net pension liability in the year ended December 31, 2024.

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

NOTE 8– FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

Actuarial Assumptions - The actuarial valuations for the Plan were used to determine the total pension liability and actuarially determined contributions for the measurement year ended December 31, 2022. The valuation used the following actuarial assumption and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2023	January 1, 2022
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, Net*	7.00%	7.00%
Projected Salary Increases*	4.25% – 11.25%	4.25% – 11.25%
Cost of Living Adjustment (COLA)	0.00%	0.00%
*Includes Inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and are 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 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

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

NOTE 8 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Nominal Rate of Return</u>
Global Equity	35.00 %	8.93 %
Equity Long/Short	6.00 %	7.47 %
Private Markets	34.00 %	10.31 %
Fixed Income - Rates	10.00 %	5.45 %
Fixed Income - Credit	5.00 %	6.90 %
Absolute Return	9.00 %	6.49 %
Cash	1.00 %	3.92 %
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability was 7.0 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 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 7.0 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.0 percent.

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

NOTE 8 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

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

Subsequent Events:

Statewide Retirement Plan – During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023.

NOTE 9 – STATEWIDE DEATH AND DISABILITY PLAN

Plan Description - The District contributes to the Statewide Death and Disability Plan (D&D Plan) administered by the FPPA. The D&D Plan is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the D&D Plan may include part-time police and fire employees. Contributions to the D&D Plan are used for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Defined Benefit System and the D&D Plan. The D&D Plan was established in 1980 pursuant to Colorado Revised Statutes and currently has 270 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2022, who are covered by Social Security and have elected supplementary coverage by the D&D Plan.

The D&D Plan assets are included in the Fire & Police Members' Benefit Investment Fund Long-Term Pool. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7.0%.

The D&D Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease. The FPPA issues a publicly available financial report that may be obtained at <https://www.fppaco.org>.

Contributions – Prior to 1997, the D&D Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. During 2022, C.R.S. 31-31-811 was amended to provide additional payments from the State to the Plan on July 1, 2022 and July 1, 2023 of \$6,650,000 each.

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

NOTE 9 – STATEWIDE DEATH AND DISABILITY PLAN – Continued

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the D&D Plan as of January 1, 1997. Effective January 1, 2022, the contribution rate increased to 3.2 percent of base salary and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and the member as determined at the local level.

Benefits Provided – Benefits are established by Colorado Statute.

If a member dies prior to normal retirement eligibility while off-duty, the surviving spouse shall receive a benefit equal to 40 percent of the monthly base salary paid to the member prior to death. An additional 10 percent of base salary is payable if a surviving spouse has two or more dependent children. If there is no surviving spouse, but the member had one or two dependent children, the benefit payable is 40 percent of the member's monthly base salary. If there is no spouse but three or more dependent children, the benefit equals 50 percent of the member's monthly base salary.

As of October 15, 2002, if a member dies prior to retirement while on-duty the surviving spouse shall receive a benefit equal to 70 percent of the member's monthly base salary regardless of the number of dependent children. If there is no spouse but one or more dependent children are living in the member's household, the benefit equals 70 percent of the member's monthly base salary. If there are dependent children without a surviving spouse, and they do not live in the household, the benefit is 40 percent for the first child and 15 percent for each additional child, but not greater than 70 percent in total of the member's monthly base salary. Benefits will be paid to the spouse until death and to dependent children until age 23, death, marriage, or other termination of dependency. Benefits may be extended for an incapacitated child.

For purposes of the D&D Plan, a spouse includes a partner in a civil union. These benefits are offset by Money Purchase account balances, Stabilization Reserve Accounts (SRA), and Deferred Retirement Option Plan (DROP) accounts, converted to annuities.

The D&D Plan provides the members with two types of disability: occupational and total.

Occupational Disability means a member is unable to perform their assigned duties due to a medical condition that is expected to last at least one year. Assigned duties are those specific tasks or job duties that a member is required to regularly perform. Within the Occupational Disability category, there are two sub-categories: Temporary Occupational Disability and Permanent Occupational Disability.

Temporary Occupational Disability is an occupational disability for which there is prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy, or other means.

Permanent Occupational Disability is an occupational disability caused by a condition that is permanent or degenerative and for which there is no prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy, or other means.

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

NOTE 9 – STATEWIDE DEATH AND DISABILITY PLAN – Continued

Total Disability means the member is unable to engage in any substantial gainful activity due to a medically determined physical or mental impairment that may be expected to result in death or that has lasted or is expected to last at least one year.

A member who becomes disabled prior to normal retirement eligibility shall be eligible for disability benefits. If the member is totally disabled, the member shall receive 70 percent of their base salary preceding disability.

If the member is occupationally disabled and their disability is determined to be a permanent occupational disability, the member shall receive 50 percent of their base salary preceding disability regardless of their family status. If the member is occupationally disabled and the disability is determined to be a temporary occupational disability, the member shall receive 40 percent of their base salary preceding disability regardless of their family status for up to five years.

Total disability and permanent occupational disability benefits are offset by the Money Purchase, SRA, or DROP balances, converted to annuities. For members who also participate in Social Security, disability benefits are reduced by Social Security disability benefits derived from employment as a member, if applicable.

Temporary Occupational Disability benefits are payable for a maximum of five years. Permanent Occupational and Total Disability benefits are payable as long as the member remains disabled.

A cost of living adjustment of up to 3 percent may be granted to members and spouses by the Fire & Police Pension Association Board of Directors annually. Totally disabled members and their beneficiaries receive an automatic benefit adjustment each year of 3 percent. The benefit adjustment is effective October 1. A cost of living adjustment may begin after receiving benefits for at least 12 calendar months prior to October 1.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11 – TAX, SPENDING, REVENUE AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations, which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures, plus reserve increases, with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

NOTE 11 – TAX, SPENDING, REVENUE AND DEBT LIMITATION - Continued

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

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

NOTE 12 – RELATED PARTIES

Two members of the Board of Directors have family members that serve as volunteer members, including children and spouses. There were no conflicts of interest in 2023 pursuant to these relationships.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date on the independent auditors' report, the date on which the financial statements were available to be released.

In March 2024, the District paid off the remaining balance on the lease purchase agreement entered into in 2020 (NOTE 4).

***REQUIRED SUPPLEMENTAL INFORMATION
(UNAUDITED)***

**DIVIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (NON-GAAP BASIS)
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 374,201	\$ 374,201	\$ 374,806	\$ 605
Specific Ownership Tax	40,000	40,000	40,351	351
Interest Income	1,850	1,850	19,937	18,087
Charges for Service	40,000	40,000	13,810	(26,190)
Grant Revenue	17,500	17,500	34,745	17,245
Volunteer Revenue	20,000	20,000	27,446	7,446
Miscellaneous	6,500	6,500	1,594	(4,906)
Total Revenues	500,051	500,051	512,689	12,638
Expenditures				
Current				
Administration	153,495	153,495	101,586	51,909
Communications	14,100	14,100	1,693	12,407
Firefighting and Rescue	45,430	45,430	41,088	4,342
Payroll	205,298	205,298	186,267	19,031
Pension	12,000	12,000	17,552	(5,552)
Station, Buildings, and Grounds	7,450	7,450	10,137	(2,687)
Training	21,300	21,300	23,152	(1,852)
Utilities	8,600	8,600	6,663	1,937
Vehicles	39,300	39,300	34,882	4,418
Incident Expenses	7,000	7,000	-	7,000
Operational Contingency	30,000	30,000	-	30,000
Capital Outlay	211,000	211,000	3,555	207,445
Debt Service				
Lease Purchase Interest	12,795	12,795	10,047	2,748
Lease Purchase Principal	66,274	66,274	66,274	-
Total Expenditures	834,042	834,042	502,896	331,146
Revenues over Expenditures (Non-GAAP Basis)	\$ (333,991)	\$ (333,991)	9,793	\$ 343,784
Beginning Fund Balance			370,844	
Ending Fund Balance			\$ 380,637	

See Independent Auditors' Report and Notes to Required Supplemental Information

**DIVIDE FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY/(ASSET) AND RELATED RATIOS -
VOLUNTEER FIREFIGHTER PENSION PLAN
MEASUREMENT PERIOD ENDED DECEMBER 31,**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 13,414	\$ 13,414	\$ 14,329	\$ 14,329	\$ 10,642	\$ 10,642	\$ 12,807	\$ 12,807	\$ 6,685
Interest on the Total Pension Liability	33,310	32,225	31,905	30,616	29,407	28,085	29,153	27,497	9,091
Benefit Changes	-	-	-	-	-	-	-	-	217,799
Difference Between Expected and Actual Experience of the Total Pension Liability	(43,925)	-	(12,344)	-	8,026	-	(43,379)	-	23,872
Changes of Assumptions	8,952	-	-	-	19,749	-	7,250	-	-
Benefits Payments	(30,139)	(30,139)	(27,628)	(25,475)	(23,262)	(19,016)	(19,016)	(17,447)	(12,710)
Net Change in Total Pension Liability	(18,388)	15,500	6,262	19,470	44,562	19,711	(13,185)	22,857	244,737
Total Pension Liability - Beginning	484,081	468,581	462,319	442,849	398,287	378,576	391,761	368,904	124,167
Total Pension Liability - Ending	\$ 465,693	\$ 484,081	\$ 468,581	\$ 462,319	\$ 442,849	\$ 398,287	\$ 378,576	\$ 391,761	\$ 368,904
Plan Fiduciary Net Position									
Contributions - Employer	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Net investment Income	(59,164)	96,760	76,561	75,420	(189)	69,415	24,022	7,816	27,181
Benefit Payments	(30,139)	(30,139)	(27,628)	(25,475)	(23,262)	(19,016)	(19,016)	(17,447)	(12,710)
Pension Plan Administrative Expense	(7,102)	(6,776)	(5,556)	(9,309)	(8,389)	(6,739)	(988)	(1,864)	(1,014)
State of Colorado Supplemental Discretionary Payment	10,800	21,600	-	10,800	10,800	10,800	10,800	10,800	10,800
Net Change in Plan Fiduciary Net Position	(73,605)	93,445	55,377	63,436	(9,040)	66,460	26,818	11,305	36,257
Plan Fiduciary Net Position - Beginning (Market Value of Assets at Beginning of Year)	747,784	654,339	598,962	535,526	544,566	478,106	451,288	439,983	403,726
Plan Fiduciary net Position - Ending (Market Value of Assets at End of Year)	\$ 674,179	\$ 747,784	\$ 654,339	\$ 598,962	\$ 535,526	\$ 544,566	\$ 478,106	\$ 451,288	\$ 439,983
Net Pension Asset	\$ (208,486)	\$ (263,703)	\$ (185,758)	\$ (136,643)	\$ (92,677)	\$ (146,279)	\$ (99,530)	\$ (59,527)	\$ (71,079)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	144.77%	154.47%	139.64%	129.56%	120.93%	136.73%	126.29%	115.19%	119.27%
Covered - Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Asset as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Information is only available beginning with the measurement period ending December 31, 2014.

See Independent Auditors' Report and Notes to Required Supplemental Information

**DIVIDE FIRE PROTECTION DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FISCAL YEARS ENDED DECEMBER 31,**

	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	\$ 5,681	\$ 22,800	\$ (17,119)	N/A	N/A
2021	\$ 10,082	\$ 33,600	\$ (23,518)	N/A	N/A
2020	\$ 10,082	\$ 12,000	\$ (1,918)	N/A	N/A
2019	\$ -	\$ 22,800	\$ (22,800)	N/A	N/A
2018	\$ -	\$ 22,800	\$ (22,800)	N/A	N/A
2017	\$ 5,193	\$ 22,800	\$ (17,607)	N/A	N/A
2016	\$ 5,193	\$ 22,800	\$ (17,607)	N/A	N/A
2015	\$ -	\$ 22,800	\$ (22,800)	N/A	N/A
2014	\$ -	\$ 22,800	\$ (22,800)	N/A	N/A

*Includes both District and State of Colorado Supplemental Discretionary Payment.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

**DIVIDE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2023**

BUDGETARY INFORMATION

Divide Fire Protection District (District) adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and public requirements. The budget includes each fund on its basis of accounting.

PENSION SCHEDULES – EMPLOYER CONTRIBUTIONS

The Schedule of Employer Contributions relates to the District's volunteer pension plan. Covered payroll is not applicable to volunteer pension plans as the nature of the services provided by the volunteers is not compensation-based.