

ELIZABETH FIRE PROTECTION DISTRICT
Elbert County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2023

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements	
Statement of Net Position – Governmental Activities	10
Statement of Activities – Governmental Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	15
Notes to Financial Statements	16
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net Pension Liability – Volunteer Firefighter Pension Plan	37
Schedule of District Contributions – Volunteer Firefighter Pension Plan	38
Schedule of the Net Pension Liability – Volunteer Firefighter Pension Plan	39
Schedule of the Proportionate Share of the Net Pension Asset – Fire and Police Pension Association – Statewide Hybrid Pension Plan	40
Schedule of District Contributions – Fire and Police Pension Association – Statewide Hybrid Pension Plan	41
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Capital Mill Levy Capital Projects Fund	42
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Impact Fees Capital Projects Fund	43
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Infrastructure Fee Capital Projects Fund	44
OTHER INFORMATION	
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	42
SINGLE AUDIT SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	48
Schedule of Expenditures of Federal Awards	50
Schedule of Findings and Questioned Costs	51
Corrective Action Plan	53



Independent Auditor's Report

Board of Directors
Elizabeth Fire Protection District
Elbert County, Colorado

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Elizabeth Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Elizabeth Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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 Elizabeth Fire Protection 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 Elizabeth Fire Protection 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 on pages 4 through 9, the Schedule of Changes in the Net Pension Liability – Volunteer Firefighter Pension on page 37, the Schedule of District Contributions – Volunteer Firefighter Pension on page 38, and the Schedule of the Net Pension Liability – Volunteer Firefighter Pension on page 39, the Schedule of Proportionate Share of the Net Pension Asset – Fire and Police Pension Association – Statewide Hybrid Pension Plan on page 40, and the Schedule of District Contributions – Fire and Police Pension Association – Statewide Hybrid Pension Plan on page 41, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elizabeth Fire Protection District's basic financial statements. The accompanying Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Capital Mill Levy Capital Projects Fund, Impact Fees Capital Projects Fund and Infrastructure Fee Capital Project Fund and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Capital Mill Levy Capital Projects Fund, Impact Fees Capital Projects Fund and Infrastructure Fee Capital Project Fund and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information is as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of the Elizabeth Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Elizabeth Fire Protection District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Elizabeth Fire Protection District's internal control over financial reporting and compliance.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
September 23, 2024

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Our discussion and analysis of Elizabeth Fire Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the District's basic financial statements which begin on page 1.

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: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information, supplementary and other information in addition to the basic financial statements themselves.

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 the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them 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 government'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 (i.e. uncollected taxes and earned but unused vacation leave.)

The government-wide financial statements detail functions of the District that are principally supported by tax revenues (governmental activities) and charges for services. The governmental activity of the District is public safety - fire.

The government-wide financial statements can be found on pages 10 and 11 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. The District reports four 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 inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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 expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds financial statements can be found on pages 12 through 15 of this report.

The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is located on page 6 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 16-36 of this report.

Supplementary and Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information consisting of the Schedule of Changes in the Net Pension Liability – Volunteer Firefighter Pension on page 37, the Schedule of District Contributions – Volunteer Firefighter Pension on page 38, and the Schedule of the Net Pension Liability – Volunteer Firefighter Pension on page 39, the Schedule of Proportionate Share of the Net Pension Asset – Fire and Police Pension Association – Statewide Hybrid Pension Plan on page 40, and the Schedule of District Contributions – Fire and Police Pension Association – Statewide Hybrid Pension Plan on page 41 of this report. Supplementary information consisting of budgetary comparison schedules for the Capital Mill Levy Capital Projects Fund, Impact Fees Capital Projects Fund, and Infrastructure Fee Capital Projects Fund are located on pages 42-44 of this report. Other information also accompanies these financial statements consisting of the summary of assessed valuation, mill levy and property taxes collected, which can be found on page 45.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,484,487 at the close of the most recent fiscal year. A large portion of the District's net position reflects its investment in capital assets (e.g. land, buildings and improvements, cisterns, equipment and vehicles) less any related debt used to acquire those assets which 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.

As noted in the table below, for 2023, the District's total assets decreased by (\$1,548,455). Current assets increased by \$1,464,517 due primarily to an increase in cash and investments. Additionally, property taxes receivable increased because of a 32.2% increase in the assessed valuation and a 2.4% increase in the mill levy for taxes levied for the collection in the ensuing year. This increase was also noted in the District's deferred inflows of resources. Capital assets increased by \$178,699, as the capital assets purchased exceeded the depreciation of capital asset. Capital asset activity is described below in the Capital Asset and Debt Administration section of the management's discussion and analysis. Noncurrent assets decreased by

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

\$3,191,671 because the overall FPPA State Hybrid pension plan asset decreased by 96.6% and the District's proportionate share of this pension plan asset decreased by 12.8%. The District's deferred outflows of resources increased by \$422,629 and the deferred inflows of resources decreased by \$568,797. These fluctuate year-to-year based on the activity related to the FPPA Statewide Hybrid and the Volunteer pension plans. The current liabilities increased by \$9,905. Long-term liabilities decreased because the District made the scheduled principal payments on the long-term liabilities and the net pension liability for the Volunteer Firefighter pension plan decreased by \$25,482. Long-term liability activity is described below in the Capital Asset and Debt Administration section of the management's discussion and analysis. The net position restricted for emergencies increased due to higher revenues subject to the 3% TABOR emergency reserve requirement. Restricted for capital improvements increased by \$231,383 due to the District receiving more revenues which are restricted for capital improvements than there were current year capital improvements. Unrestricted net position decreased by \$1,011,838, resulting in an unrestricted net position of \$1,382,685 as of December 31, 2023.

NET POSITION

	December 31,	
	2023	2022
ASSETS		
Current assets	\$ 7,133,250	\$ 5,668,733
Capital assets	2,915,931	2,737,232
Noncurrent assets	113,556	3,305,227
Total assets	<u>10,162,737</u>	<u>11,711,192</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>1,371,862</u>	<u>949,233</u>
LIABILITIES		
Current liabilities	65,289	55,384
Long-term liabilities	1,541,919	1,662,345
Total liabilities	<u>1,607,208</u>	<u>1,717,729</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>5,442,904</u>	<u>6,011,701</u>
NET POSITION		
Net investment in capital assets	2,185,443	1,874,196
Restricted for emergencies	154,700	132,000
Restricted for capital improvements	761,659	530,276
Unrestricted	1,382,685	2,394,523
Total net position	<u>\$ 4,484,487</u>	<u>\$ 4,930,995</u>

As noted in the table below, the District's overall financial position, as measured by net position, decreased by \$446,508. Charges for services increased by \$2,285. Operating grants and contributions increased during 2023 by a total of \$671,840 because of a Regional FEMA AFG grant that was awarded to the District and four other agencies. Capital grants and contributions increased by \$277,558 for 2023, as the District received a grant from Colorado EMTS for part time employees and the District's portion of the aforementioned Regional FEMA AFG grant. Property tax revenue increased by \$101,568 due to an increase in the District's assessed valuation for taxes levied for 2023's collection. Specific ownership taxes increased by \$19,183 due to increased automobile ownership taxes collected by the county and allocated to the District. Public safety expenses increased by \$2,936,722 due to the purchase of SCBAs from the grant funds. Additionally, although there was an overall increase in day-to-day operational expenses,

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

the District recognized a net pension expense of \$1,369,424 from the District's Volunteer Firefighter and the FPPA Statewide Hybrid pension plans.

CHANGES IN NET POSITION

	Years Ended December 31,	
	2023	2022
REVENUES		
Program revenues:		
Charges for services	\$ 516,389	\$ 514,104
Operating grants and contributions	978,492	306,652
Capital grants and contributions	435,041	157,483
General revenues:		
Property taxes	3,189,349	3,087,781
Specific ownership taxes	514,027	494,844
Investment earnings	153,414	47,668
Other	38,680	63,883
Gain on sale of capital assets	19,500	
Total revenues	5,844,892	4,672,415
EXPENSES		
Public safety - fire	6,265,572	3,328,850
Interest and fiscal charges	25,828	31,104
Total operating and debt service	6,291,400	3,359,954
CHANGE IN NET POSITION	(446,508)	1,312,461
NET POSITION - BEGINNING OF YEAR	4,930,995	3,618,534
NET POSITION - END OF YEAR	\$ 4,484,487	\$ 4,930,995

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's governmental fund follows.

Governmental funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's Governmental Funds reported an ending fund balance of \$2,745,024. Of this fund balance, \$937,480 is in non-spendable form, restricted or assigned. Additional information on these amounts can be found in Note 2 and Note 6 to the financial statements. The remaining fund balance of \$1,807,544 is unassigned.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Variances. For the year ended December 31, 2023, the District's General Fund budget was amended.

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

The budget to actual comparison details for the General Fund can be seen on page 6 of the financial statements. District revenues and other financing sources were more than the budget by \$324,789. This was primarily due to grant revenue received for the Regional FEMA AFG SCBA. Actual expenditures were under the budget by \$27,266. This was primarily due to administration and operations expenditures were less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets as of December 31, 2023 amounted to \$2,915,931 (net of accumulated depreciation/amortization). The analysis of changes in capital assets is as follows:

	CAPITAL ASSETS (net of depreciation)		
	<u>2022</u>	<u>Change</u>	<u>2023</u>
Land and water rights	\$ 250,200	\$ -	\$ 250,200
Capital asset in process	14,896	-	14,896
Buildings and improvements	618,524	(26,627)	591,897
Cisterns	48,201	3,008	51,209
Equipment	126,990	249,240	376,230
Vehicles	393,287	(23,261)	370,026
Leased buildings	388,041	(14,690)	373,351
Leased vehicles	897,093	(8,971)	888,122
Total	<u>\$ 2,737,232</u>	<u>\$ 178,699</u>	<u>\$ 2,915,931</u>

During 2023, the District purchased a Tahoe for a chief vehicle, forcible entry equipment, 35 SCBAs, replaced an engine in a Fire truck, and replaced a fire hydrant at one of the District's cisterns.

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-Term Obligations. At the end of the current fiscal year, the District had total outstanding long-term obligations of \$940,339 comprised of leases for the acquisition of capital assets and compensated absences. The analysis of changes in leases and other long-term obligations is as follows:

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

LONG-TERM OBLIGATIONS

	<u>2022</u>	<u>Change</u>	<u>2023</u>
Leases:			
Vehicles	\$ 588,334	\$ (68,099)	\$ 520,235
Building	274,702	(64,449)	210,253
Compensated absences	172,247	37,604	209,851
	<u>\$ 1,035,283</u>	<u>\$ (94,944)</u>	<u>\$ 940,339</u>

During 2023 the District made the scheduled payments on the existing leases. The District entered into a new \$56,000 lease for a Fire Chief vehicle. Compensated absences increased due to more hours accumulated as of the end of 2023, when compared to 2022, as well as higher pay rates for the employees.

Additional information on the District's long-term obligations can be found in Note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For 2024's levied property tax, the District's assessed valuation increased by 32.2% and the mill levy increased .338 mills, resulting in levied taxes of \$1,132,567 more than were collected for 2023.

The voters of the District approved a ballot measure on November 6, 2018 to allow the District to adjust the District's mill levy to offset revenue reductions as a result of the adjusting residential assessment rate. As a result the District increased the mill levy (excluding the mill levy for refunds and abatements) by .344 mills.

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 government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Elizabeth Fire Protection District, 155 W. Kiowa Avenue, P.O. Box 441 Elizabeth, Colorado 80107.

BASIC FINANCIAL STATEMENTS

**ELIZABETH FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2023**

ASSETS

Cash and investments (Note 3)	\$ 2,599,487
Due from County Treasurer	42,737
EMS (Net of \$145,400 allowance for uncollectible)	135,989
Grant receivable	8,738
Other receivable	2,814
Prepaid expenses	21,121
Property taxes receivable	4,322,364
Capital assets (Note 4):	
Not being depreciated	265,096
Being depreciated, net of accumulated depreciation	2,650,835
Net FPPA Statewide Hybrid pension plan asset (Note 10)	113,556
Total assets	10,162,737

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to Volunteer pension plan (Note 9)	109,381
Deferred outflows related to FPPA Statewide Hybrid pension plan (Note 10)	1,262,481
Total deferred outflows of resources	1,371,862

LIABILITIES

Accounts payable and accrued payroll liabilities	50,432
Accrued interest payable	14,857
Net Volunteer pension plan liability (Note 9)	601,580
Noncurrent liabilities (Note 5):	
Due within one year:	
Compensated absences	209,851
Leases	190,933
Due in more than one year - leases	539,555
Total liabilities	1,607,208

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	4,322,364
Deferred grant revenue	13,430
Deferred inflows related to FPPA Statewide Hybrid pension plan (Note 10)	1,107,110
Total deferred inflows of resources	5,442,904

NET POSITION (Note 7)

Net investment in capital assets	2,185,443
Restricted for emergencies	154,700
Restricted for capital improvements	761,659
Unrestricted	1,382,685
Total net position	\$ 4,484,487

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**ELIZABETH FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Public safety - fire	\$ 6,265,572	\$ 978,492	\$ 435,041	\$ (4,335,650)
Interest and fiscal charges	25,828	-	-	(25,828)
	\$ 6,291,400	\$ 978,492	\$ 435,041	(4,361,478)
General revenues:				
Taxes:				
Property taxes - general operations				2,731,039
Property taxes - capital improvements				458,310
Specific ownership taxes				514,027
Investment earnings				153,414
Other				38,680
Gain on disposal of capital assets				19,500
Total general revenues				3,914,970
				(446,508)
				4,930,995
				\$ 4,484,487

These financial statements should be read only in connection with the accompanying notes to financial statements.

**ELIZABETH FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023**

	General Fund	Capital Mill Levy Capital Projects Fund	Impact Fees Capital Projects Fund	Infrastructure Fee Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments (Note 3)	\$ 1,837,828	\$ 523,163	\$ 183,005	\$ 55,491	\$ 2,599,487
Due from County Treasurer	42,737	-	-	-	42,737
Accounts receivable:					
EMS (Net of \$145,400 allowance for uncollectible)	135,989	-	-	-	135,989
Interest	8,738	-	-	-	8,738
Other	2,814	-	-	-	2,814
Prepaid expenditures	21,121	-	-	-	21,121
Property tax receivable	3,701,217	621,147	-	-	4,322,364
TOTAL ASSETS	<u>\$ 5,750,444</u>	<u>\$ 1,144,310</u>	<u>\$ 183,005</u>	<u>\$ 55,491</u>	<u>\$ 7,133,250</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued payroll liabilities	\$ 50,432	\$ -	\$ -	\$ -	\$ 50,432
TOTAL LIABILITIES	<u>50,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,432</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenues	3,701,217	621,147	-	-	4,322,364
Deferred grant revenue	15,430	-	-	-	15,430
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,716,647</u>	<u>621,147</u>	<u>-</u>	<u>-</u>	<u>4,337,794</u>
FUND BALANCES (Note 6)					
Nonspendable:					
Prepaid expenditures	21,121	-	-	-	21,121
Spendable:					
Restricted for emergencies	154,700	-	-	-	154,700
Restricted for capital improvements	-	523,163	183,005	55,491	761,659
Unassigned	1,807,544	-	-	-	1,807,544
TOTAL FUND BALANCES	<u>1,983,365</u>	<u>523,163</u>	<u>183,005</u>	<u>55,491</u>	<u>2,745,024</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,750,444</u>	<u>\$ 1,144,310</u>	<u>\$ 183,005</u>	<u>\$ 55,491</u>	

Amounts to reconcile the governmental fund balance sheet to the statement of net position are as follows:

Some assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.

 Capital assets 2,915,931

Certain amounts deferred in the governmental funds balance sheet are not deferred in the governmental activities statement of net position.

 Deferred grant revenue difference 2,000

Certain amounts related to the District's pension plans reported on the statement of net position are not reported in the governmental funds balance sheet.

 Net Volunteer pension plan liability (Note 9) (601,580)

 Deferred outflows related to Volunteer pension plan (Note 9) 109,381

 Net FPPA Statewide Hybrid pension plan asset (Note 10) 113,556

 Deferred outflows related to FPPA Statewide Hybrid pension plan (Note 10) 1,262,481

 Deferred inflows related to FPPA Statewide Hybrid pension plan (Note 10) (1,107,110)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund statements.

 Lease obligations (730,488)

 Accrued interest on leases (14,857)

 Compensated absences (209,851)

 Net position of governmental activities \$ 4,484,487

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELIZABETH FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	General Fund	Capital Mill Levy Capital Projects Fund	Impact Fees Capital Projects Fund	Infrastructure Fee Capital Projects Fund	Total Governmental Funds
REVENUES					
Property taxes:					
General operations	\$ 2,731,039	\$ -	\$ -	\$ -	\$ 2,731,039
Capital improvements	-	458,310	-	-	458,310
Specific ownership taxes	514,027	-	-	-	514,027
Ambulance transports (net of \$444,307 uncollectible)	503,078	-	-	-	503,078
Impact fees	-	-	212,682	-	212,682
Infrastructure fees	-	-	-	9,360	9,360
Permit fees and fines	9,976	-	-	-	9,976
Net investment income	114,485	30,973	5,355	2,601	153,414
Grants and reimbursements:					
Colorado EMTS grants	69,348	-	-	-	69,348
Colorado Medicaid EMT reimbursement	75,218	-	-	-	75,218
FEMA SCBA Grant	796,273	-	-	-	796,273
Match from other Districts for FEMA SCBA Grant	58,327	-	-	-	58,327
Other Grants	44,585	-	-	-	44,585
Developer contributions	164,750	-	-	-	164,750
CPR income	3,335	-	-	-	3,335
Other	38,680	-	-	-	38,680
Total revenues	<u>5,123,121</u>	<u>489,283</u>	<u>218,037</u>	<u>11,961</u>	<u>5,842,402</u>
EXPENDITURES					
Administration	3,421,387	-	-	-	3,421,387
Professional services	156,234	13,357	12,000	-	181,591
Apparatus	84,485	-	-	-	84,485
Facilities	240,838	-	-	-	240,838
Equipment maintenance and testing	45,286	-	-	-	45,286
Fire prevention/investigations	17,760	-	-	-	17,760
Communications	47,202	-	-	-	47,202
Technology	49,614	-	-	-	49,614
Operations	155,455	-	-	-	155,455
Contribution to volunteer pension plan	64,477	-	-	-	64,477
FEMA SCBA Grant Pass-Through to Other Agencies	641,601	-	-	-	641,601
Debt service:					
Principal	64,449	124,099	-	-	188,548
Interest and other fiscal charges	11,675	17,050	-	-	28,725
Capital outlay:					
Buildings - capitalized	-	10,000	-	-	10,000
Vehicles - capitalized	-	108,856	-	-	108,856
Equipment - capitalized	234,299	50,636	-	-	284,935
Cisterns - capitalized	-	-	-	10,822	10,822
Buildings - significant repairs	-	31,010	-	-	31,010
Vehicles - significant repairs	-	14,777	-	-	14,777
Equipment - below capitalization threshold	-	76,291	-	-	76,291
Total expenditures	<u>5,234,762</u>	<u>446,076</u>	<u>12,000</u>	<u>10,822</u>	<u>5,703,660</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(111,641)</u>	<u>43,207</u>	<u>206,037</u>	<u>1,139</u>	<u>138,742</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	19,500	-	-	-	19,500
Insurance proceeds	110,579	-	-	-	110,579
Lease proceeds	-	56,000	-	-	56,000
Transfers in (out)	75,000	-	(75,000)	-	-
Total other financing sources (uses)	<u>205,079</u>	<u>56,000</u>	<u>(75,000)</u>	<u>-</u>	<u>186,079</u>
NET CHANGE IN FUND BALANCES	93,438	99,207	131,037	1,139	324,821
FUND BALANCES - BEGINNING OF YEAR	<u>1,889,927</u>	<u>423,956</u>	<u>51,968</u>	<u>54,352</u>	<u>2,420,203</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,983,365</u>	<u>\$ 523,163</u>	<u>\$ 183,005</u>	<u>\$ 55,491</u>	<u>\$ 2,745,024</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**ELIZABETH FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities is as follows:

Net change in fund balances - Total governmental funds	\$ 324,821
<p>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.</p>	
Capital outlay	414,613
Depreciation	(235,914)
<p>Some revenues are deferred in the governmental funds because they are measurable but not available within 60 days of year end. These revenues are recognized in the Statement of Activities.</p>	
Deferred grant revenue	(17,010)
<p>Some expenses reported in the governmental fund statements were made subsequent to the measurement date for the net pension asset calculation and will therefore be reported as expenses in a future period.</p>	
Deferred outflows of resources:	
District volunteer firefighters' pension plan contributions subsequent to the measurement date	64,477
District Statewide Hybrid pension plan contributions subsequent to the measurement date	169,647
<p>Issuance of long-term debt (e.g. leases) provides current financial resources to the governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on net position. This amount is the net effect of differences in the treatment of long-term debt and related items.</p>	
Capital lease proceeds	(56,000)
Principal payments on leases	188,548
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.</p>	
Change in accrued interest on leases	2,897
Net Volunteer pension income (expense)	104,441
Net FPPA Statewide Hybrid pension plan income (expense)	(1,369,424)
Change in compensated absences	(37,604)
Change in net position - Governmental activities	\$ (446,508)

These financial statements should be read only in connection with the accompanying notes to financial statements.

ELIZABETH FIRE PROTECTION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 2,733,811	\$ 2,733,811	\$ 2,731,039	\$ (2,772)
Specific ownership taxes	475,000	475,000	514,027	39,027
Ambulance transports, net of uncollectible	500,000	500,000	503,078	3,078
Permit fees and fines	20,000	20,000	9,976	(10,024)
Net investment income	20,000	20,000	114,485	94,485
Grants and reimbursements:				
Colorado EMTS grants	-	-	69,348	69,348
Colorado Medicaid EMT reimbursement	-	-	75,218	75,218
FEMA SCBA Grant	-	854,600	796,273	(58,327)
Match from other Districts for FEMA SCBA Grant	-	-	58,327	58,327
Other Grants	75,000	75,000	44,585	(30,415)
Developer contributions	43,000	43,000	164,750	121,750
CPR income	2,400	2,400	3,335	935
Other	202,600	202,600	38,680	(163,920)
Total revenues	<u>4,071,811</u>	<u>4,926,411</u>	<u>5,123,121</u>	<u>196,710</u>
EXPENDITURES				
Administration	3,518,843	3,518,843	3,421,387	97,456
Professional services	164,514	164,514	156,234	8,280
Apparatus	55,000	55,000	84,485	(29,485)
Facilities	151,005	151,005	240,838	(89,833)
Equipment maintenance and testing	49,650	49,650	45,286	4,364
Fire prevention/investigations	28,800	28,800	17,760	11,040
Communications	25,765	25,765	47,202	(21,437)
Technology	54,200	54,200	49,614	4,586
Operations	187,750	187,750	155,455	32,295
Contribution to volunteer pension plan	64,477	64,477	64,477	-
FEMA SCBA Grant Pass-Through to Other Agencies	-	-	641,601	(641,601)
Debt service:				
Principal	64,449	64,449	64,449	-
Interest and other fiscal charges	11,675	11,675	11,675	-
Capital outlay:				
Buildings, vehicles and equipment	-	875,900	234,299	641,601
Contingency	10,000	10,000	-	10,000
Total expenditures	<u>4,386,128</u>	<u>5,262,028</u>	<u>5,234,762</u>	<u>27,266</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(314,317)</u>	<u>(335,617)</u>	<u>(111,641)</u>	<u>223,976</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	5,000	5,000	19,500	14,500
Insurance proceeds	-	-	110,579	110,579
Transfers in	72,000	72,000	75,000	3,000
Total other financing sources (uses)	<u>77,000</u>	<u>77,000</u>	<u>205,079</u>	<u>128,079</u>
NET CHANGE IN FUND BALANCE	(237,317)	(258,617)	93,438	352,055
FUND BALANCE - BEGINNING OF YEAR	<u>1,916,225</u>	<u>1,916,225</u>	<u>1,889,927</u>	<u>(26,298)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,678,908</u>	<u>\$ 1,657,608</u>	<u>\$ 1,983,365</u>	<u>\$ 325,757</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

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

NOTE 1 – DEFINITION OF REPORTING ENTITY

Elizabeth Fire Protection District (District), a quasi-municipal corporation and political subdivision of the State, is organized pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Elbert County, Colorado. The District was established to provide fire protection services, including emergency medical services, to the Town of Elizabeth and surrounding geographic areas in Elbert County.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set 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, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District except for the fiduciary activities. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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.

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

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

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and emergency medical services fees. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Mill Levy Capital Projects Fund is the used to account for the revenue generated and the related expenditures of the voter approved 1.970 mill levy which is restricted for use for capital improvements.

The Impact Fees Capital Projects Fund is used to account for the revenue generated and the related expenditures of the impact fees imposed by the District in accordance with Colorado Revised Statutes Section 29-20-104, which are restricted for certain capital improvements.

The Infrastructure Fee Capital Projects Fund is used to account for the revenue generated and the related expenditures of the infrastructure fees imposed by the District which are restricted for capital improvements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 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 a public hearing in the fall each year to receive and consider comments and objections to the proposed budget, after which the District Board approves the budget and appropriates the funds for the ensuing

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

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 in compliance with the State Budget Law. The budget includes each fund on its basis of accounting unless otherwise indicated.

For the year ended December 31, 2023, the District amended the budget of General Fund.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is 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 of the preceding year by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if 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 or December. The County Treasurer remits the 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.

Accounts Receivable

Accounts receivable consist of uncollected emergency services fees and are shown net of an allowance for uncollectible accounts receivable. The allowance for uncollectible accounts receivable is estimated based on historical collections by the District. Actual collections may be different than the amounts estimated.

Capital Assets

Capital assets, which include buildings, improvements, equipment and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at their acquisition value plus ancillary charges, if any. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings	10-50 years
Cisterns	30 years
Equipment	5-30 years
Vehicles	5-25 years

Depreciation expense is charged to the public safety – fire function in the statement of activities.

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Additionally, the District has recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB 68* (GASB 71).

Compensated Absences

The District has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The District's General Fund is used to liquidate compensated absences of the governmental activities.

Fund Balances – Governmental Funds

The District's governmental fund balance may consist of five classifications based on the relative strength of the spending constraints as follows:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

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

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

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be

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

expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

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

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

As of December 31, 2023, cash and investments consist of the following:

Cash on hand	\$ 100
Deposits with financial institutions	132,772
Investments	2,466,615
Total cash and investments	\$ 2,599,487

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. 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 equal to 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.

As of December 31, 2023, the District's cash deposits had a bank balance of \$174,224 and a carrying balance of \$132,772.

Investments

Credit Risk

The District has not adopted a formal investment policy, however, the District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities

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

- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Interest Rate Risk

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 requirement.

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

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Amount</u>
Colorado Statewide Investment Pool (CSIP) – Liquid Portfolio	Weighted average under 60 days	\$1,946,104
Colorado Statewide Investment Pool (CSIP) – Term Portfolio	Weighted average under 60 days	512,923
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>7,588</u>
		<u>\$2,466,615</u>

CSIP

As of December 31, 2023, the District has invested in the Colorado Statewide Investment Pool (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing CSIP. CSIP operates similarly to a money market fund. CSIP offers two portfolios, the Liquid Portfolio and the Term Portfolio. Both the Liquid and Term Portfolios primarily invest in obligations of the U.S. government and its agencies and instrumentalities, repurchase agreements involving obligations of the U.S. government and its agencies and instrumentalities, bank and savings accounts, commercial paper, negotiable certificates of deposit, floating-rate and variable-rate obligations, municipal obligations, money market mutual funds, municipal obligations and any investments authorized under Section 24-75-601 et. seq. of the Colorado Revised Statutes. The Liquid Portfolio is rated AAAM by Standard and Poor's and the Term Portfolio is rated AA Af by Fitch Ratings. The CSIP calculates the net asset value as of the conclusion of each business day. The net asset value is calculated on an amortized cost basis as provided for by GASB 79. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

CSAFE

The District has invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the CSAFE.

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

CSAFE operates similarly to a money market fund. CSAFE primarily invests in U.S. Treasury securities, agencies, repurchase agreements, bank deposits, AAAM rated SEC registered money-market funds and highly-rated commercial paper. CSAFE is rated AAAM by Standard and Poor's. The CSAFE calculates the net asset value as of the conclusion of each business day. The net asset value is calculated on an amortized cost basis as provided for by GASB 79. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are 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.

However, certain investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. Examples of these investments may include money market investments and certain 2a7-like external investment pools. It is permitted to record these types of investments at amortized cost. It is also permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment. The District's investments in CSIP and CSAFE are valued at net asset value per share.

The CSIP calculates the NAV as of the conclusion of each business day. The NAV is calculated by determining total assets, subtracting total liabilities from total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, which are accrued daily. The NAV is calculated on an amortized cost basis as provided for by GASB Statement 79. CSIP does not place any known limitations or restrictions such as notice periods or maximum transaction amounts on withdrawals. It is the goal of CSIP to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by CSIP and there can be no assurance that the NAV will not vary from \$1.00 per share.

The CSAFE calculates the NAV as of the conclusion of each business day. The NAV is calculated by determining total assets, subtracting total liabilities from total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, which are accrued daily. The NAV is calculated on an amortized cost basis as provided for by GASB Statement 79. CSAFE does not place any known limitations or restrictions such as notice periods or maximum transaction amounts on withdrawals. It is the goal of CSAFE to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by CSAFE and there can be no assurance that the NAV will not vary from \$1.00 per share.

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

NOTE 4 - CAPITAL ASSETS

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

	Balance December 31, 2022	Increases	Decreases	Balance December 31, 2023
Capital assets, not being depreciated:				
Land and water rights	\$ 250,200	\$ -	\$ -	\$ 250,200
Capital asset in process	14,896	-	-	14,896
Total capital assets, not being depreciated	<u>265,096</u>	<u>-</u>	<u>-</u>	<u>265,096</u>
Capital assets, being depreciated:				
Buildings and improvements	2,139,705	10,000	-	2,149,705
Cisterns	235,205	10,822	-	246,027
Equipment	709,124	284,935	-	994,059
Vehicles	1,645,745	52,856	(74,967)	1,623,634
Leased buildings	440,677	-	-	440,677
Leased vehicles	1,223,214	56,000	-	1,279,214
Total capital assets, being depreciated	<u>6,393,670</u>	<u>414,613</u>	<u>(74,967)</u>	<u>6,733,316</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,521,181)	(36,627)	-	(1,557,808)
Cisterns	(187,004)	(7,814)	-	(194,818)
Equipment	(582,134)	(35,695)	-	(617,829)
Vehicles	(1,252,458)	(76,117)	74,967	(1,253,608)
Leased buildings	(52,636)	(14,690)	-	(67,326)
Leased vehicles	(326,121)	(64,971)	-	(391,092)
Total accumulated depreciation	<u>(3,921,534)</u>	<u>(235,914)</u>	<u>74,967</u>	<u>(4,082,481)</u>
Total capital assets, being depreciated depreciated, net	<u>2,472,136</u>	<u>178,699</u>	<u>-</u>	<u>2,650,835</u>
Capital assets, net	<u>\$ 2,737,232</u>	<u>\$ 178,699</u>	<u>\$ -</u>	<u>\$ 2,915,931</u>

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Leases:					
PNC Equipment Finance, LLC	\$ 588,334	\$ -	\$ (111,042)	\$ 477,292	\$ 114,260
Community First National Bank	274,702	-	(64,449)	210,253	67,188
GM Lease of Tahoe		56,000	(13,057)	42,943	9,485
Compensated absences	172,247	152,359	(114,755)	209,851	209,851
	<u>\$ 1,035,283</u>	<u>\$ 208,359</u>	<u>\$ (303,303)</u>	<u>\$ 940,339</u>	<u>\$ 400,784</u>

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

The detail of the District's long-term obligations, excluding the accrual for compensated absences, are as follows:

Leases

Lease – Vehicles – On March 30, 2017 the District entered into a Master Lease – Purchase Agreement with PNC Equipment Finance, LLC for the purchase of two Pierce firetrucks and one Ford F-250 command vehicle and the refurbishment of one brush truck for a total lease-purchase agreement amount of \$1,185,502. The lease-purchase agreement is secured by the purchased vehicles and improvements. Along with other available funds of the District, the total capitalized costs of the leased assets was \$1,223,214. The lease-purchase agreement requires annual principal and interest payments of \$151,408 on March 30, 2018 through 2020, \$140,066 on March 30, 2021 and 2022, and \$128,092 on March 30, 2023 through 2027. The lease-purchase agreement bears interest at 2.898%. The lease-purchase agreement is subject to annual appropriation. During 2023, the District paid interest of \$17,050, and incurred interest expense of \$14,618.

Lease – Administration Building – On June 11, 2019, the District entered into Lease with Option to Purchase Agreement with Community First National Bank for the purchase of an Administration Building and provide some funds for remodeling the Administration Building and Station #271. The lease is secured by the Administration Building, which was capitalized in the amount of \$440,677. The lease-purchase agreement requires annual principal and interest payments of \$76,124 beginning on August 1, 2020 and ending on August 1, 2026. The lease-purchase agreement bears interest at 4.25%. The lease-purchase agreement is subject to annual appropriation. During 2023, the District paid interest of \$11,675, and incurred interest expense of \$10,534.

Lease – Vehicle – On October 23, 2023, the District entered into Lease with Option to Purchase Agreement with GM Financial for the purchase of a 2023 Chevrolet Tahoe. The lease is secured by the 2023 Chevrolet Tahoe, which was capitalized in the amount of \$56,000. The lease-purchase agreement required an initial an advance payment of \$13,057 of principal, and ongoing annual principal and interest payments of \$13,057 beginning on October 23, 2024 and ending on October 23, 2027. The lease-purchase agreement bears interest at 8.319%. The lease-purchase agreement is subject to annual appropriation. During 2023, the District paid interest of \$0, and incurred interest expense of \$676.

Future minimum lease obligations and the net present value of these lease payments as of December 31, 2023, are as follows:

<u>December 31,</u>	
2024	\$ 217,273
2025	217,273
2026	217,273
2027	141,149
	<hr/>
	792,968
Amount representing interest	(62,480)
Present Value of minimum lease payments	<hr/> <u>\$ 730,488</u>

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

NOTE 6 - FUND EQUITY

As of December 31, 2023, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$21,121 is comprised of prepaid expenditures which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$154,700 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 14).

The restricted fund balances of the Capital Mill Levy Capital Projects Fund, Impact Fees Capital Projects Fund, and the Infrastructure Fee Capital Projects Fund in the amounts of \$523,163, \$183,005, and \$55,491, respectively, are restricted for capital improvements.

NOTE 7 - NET POSITION

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

Net investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the net investment in capital assets was \$2,185,443.

Restricted position includes net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$154,700 as of December 31, 2023, as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 14). Additionally, the District had net position of \$761,659 restricted for capital improvements.

NOTE 8 - 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 risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**NOTE 9 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - VOLUNTEER
FIREFIGHTER PENSION PLAN**

Volunteer Firefighter Pension Plan

General Information about the Pension Plan

Plan description. The District, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighter Pension (VPP), a defined benefit pension plan which is affiliated with the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the VPP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Volunteer Firefighter Pension Board of Trustees is comprised of the five Directors of the District and two eligible District volunteer firefighters, which may include current District volunteer firefighters, retired District volunteer firefighters, or retired District firefighters who have returned to active service. The Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under the Colorado Revised Statutes. The District closed the Volunteer Firefighter Pension to new members effective December 31, 2004. Volunteer firefighters who complete the minimum annual training required by the District and who at the discretion of the Fire Chief are considered to have maintained "active service", are eligible to participate in the VPP for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers, who retire at or after the age of 50 with ten years of credited service, are entitled to a benefit. The maximum monthly benefit is \$750. In addition, the VPP provides death and disability benefits, funded by insurance policies. As of December 31, 2023, there were 20 retirees and 3 beneficiaries receiving benefits and 1 inactive vested member.

Contributions. The District makes contributions based upon District established benefits and funding requirements based upon an actuarial study. VPP members do not make contributions. The State of Colorado also contributes to the VPP in an amount set by statute. The District's contribution was \$64,477 and the State of Colorado's contribution was \$0 for the year ended December 31, 2023.

Net Pension Liability

Actuarial assumptions. The District's net pension liability was based on an actuarial valuation performed as of January 1, 2023, and a measurement date of December 31, 2022. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

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

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open *
Remaining amortization period	20 years *
Asset valuation method	5 - year smoothed fair value
Investment rate of return	7.0%
Projected salary increases	Not applicable
Inflation	2.5%
Cost-of-living adjustments	None
Retirement age	50% per year of eligibility until 100% at age 65
Mortality:	Pre-retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier. Post-retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
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	<u>100.00%</u>	

Single Discount Rate. Projected benefit payments are 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

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

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 not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Changes in the Net Pension Liability

Changes in the District's net pension liability for the year ended December 31, 2023, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at 12/31/2022	\$ 1,689,780	\$ 1,062,718	\$ 627,062
Changes for the year:			
Service cost	-	-	-
Interest on the total pension liability	112,878	-	112,878
Changes in benefit terms	-	-	-
Difference between expected & actual experience	(151,184)	-	(151,184)
Changes in assumptions or other inputs	8,398	-	8,398
Benefit payments	(157,125)	(157,125)	-
District contributions	-	64,477	(64,477)
State of Colorado contributions	-	18,220	(18,220)
Pension plan net investment income	-	(79,750)	79,750
Administrative expense	-	(7,373)	7,373
Net Changes	<u>(187,033)</u>	<u>(161,551)</u>	<u>(25,482)</u>
Balances at 12/31/2023	<u>\$ 1,502,747</u>	<u>\$ 901,167</u>	<u>\$ 601,580</u>

Sensitivity of the District's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
	Proportionate share of the net pension (asset) liability	<u>\$ 729,394</u>	<u>\$ 601,580</u>

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

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

For the year ended December 31, 2023, the District recognized pension expense (income) of (\$104,441).

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

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 44,904
Contributions subsequent to the measurement date	64,477
Total	\$ 109,381

The \$64,477 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ending December 31, 2024.

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

<u>Year Ending December 31</u>		
2024	\$	(7,164)
2025		6,028
2026		15,774
2027		30,266
	\$	44,904

NOTE 10 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO – STATEWIDE HYBRID DEFINED BENEFIT PENSION PLAN

Statewide Hybrid Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Hybrid Plan – Defined Benefit Component (SWHP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWHP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

General Information about the SWHP

Plan description. The SWHP covers full-time firefighters and police officers from departments that elect coverage. The SWHP may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection. The SWHP is comprised of two components: Defined Benefit and Money Purchase. With the later component, employees have the option of choosing among various mutual funds offered by an outside investment manager. SWHP benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

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

The following types of retirement are available under the SWHP:

- Normal: 25 years of service and age 55 with a benefit of 1.5% of the member's Highest Average Salary times year of service credit which is paid for the life of the member, with no designated beneficiary benefits. Benefits are based on the average of the highest 3 years' base salary.
- Early: 30 years of service or age 50 and who is not receiving benefits pursuant to the Statewide Death and Disability Plan. The annual early retirement pension for the member shall be the benefit, as determined by the FPPA Board of Trustees, that the member would have received at normal retirement reduced on an Actuarially Equivalent basis to reflect the early receipt of the benefit.
- Vested: 5 years of service payable at age 55 with a benefit of 1.5% of the member's Highest Average Salary times year of service credit in the Hybrid Plan. Benefits are based on the average of the highest 3 years' base salary.
- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit.

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

Each member must elect a payment option for retirement benefits shortly before benefit payments are paid to ensure that the beneficiary and payment option factors are accurate. The member has five payment options. The payment options allow the member to receive full retirement

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

benefits during the member's lifetime or receive reduced retirement benefits so that a designated beneficiary may receive a portion of the retirement benefit either during the member's lifetime or after the member's death depending on the option selected.

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

Contributions. Members and the District contribute to the SWHP at a rate determined by the individual employer, however, both the employer and individual members each must contribute at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The District's contributions to the SWHP for the year ending December 31, 2023, were \$169,647, equal to the District's required contributions for the year.

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

As of December 31, 2023, the District reported an asset of \$113,556 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. The District's proportion of the net pension asset was based on District contributions to the SWHP for the calendar year 2022 relative to the total contributions of participating employers to the SWHP.

As of the December 31, 2022 measurement date, the District's proportion was 7.7861181%, which was a decrease of .9302711% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the District recognized pension expense of \$1,369,424. As of December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 499,526	\$ -
Net difference between projected and actual earnings on pension plan investments	463,449	-
Changes in assumptions or other inputs	129,859	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	(1,107,110)
Contributions subsequent to the measurement date	169,647	-
Total	\$ 1,262,481	\$ (1,107,110)

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

As December 31, 2023, the District reported as deferred outflows of resources related to pensions in the amount of \$169,647, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2023.

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

<u>Year Ending December 31</u>	
2024	\$ (103,189)
2025	(126,661)
2026	(95,522)
2027	215,904
2028	71,352
2029	23,840
	<u>\$ (14,276)</u>

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

Actuarial method	Entry age normal
Amortization method	N/A
Amortization period	N/A
Long-term investment rate of return *	7.0%
Projected salary increases	4.25%-11.25%
Cost of living adjustments (COLA)	0.0%
* Includes inflation at	2.5%

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

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 them MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement 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.

The SWHP's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation (assumed at 2.5 percent). The best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
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 established the contractually required rates under Colorado Statutes. Based on those assumptions, the SWHP's fiduciary net position was projected to be available to make all 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 discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the District's proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability (asset)	\$ 857,470	\$ (113,556)	\$ (928,164)

Pension plan fiduciary net position. Detailed information about the SWHP's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org.

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

Subsequent Events

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

NOTE 11 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE DEATH AND DISABILITY PLAN

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1998 pursuant to Colorado Revised Statutes. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.0% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.0% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District and employees are both contributing to make a combined contribution of 3.0%. For the year ending December 31, 2023, the District's contributions to the SWD&DP were \$34,908 and the employees' contributions were \$20,972, equal to the required contributions.

NOTE 12 – DEFERRED COMPENSATION PLANS

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by FPPA. Participation in the plan is optional for qualifying employees. The plan allows the employees to defer a portion of their salary until future years. During the year ended December 31, 2023, the employees deferred \$31,241.

The District also has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the Equitable Financial Life Insurance Company. Participation in the plan is optional for qualifying employees. The plan allows the employees to defer a portion of their salary until future years. During the year ended December 31, 2023 the employees deferred \$22,989.

NOTE 13 – DEFINED CONTRIBUTION PLAN

The District has a deferred contribution plan created in accordance with Internal Revenue Code Section 401a. The plan is administered by Equitable Financial Life Insurance Company. Participation in the plan is mandatory for the District's administration employees who do not qualify to participate in the FPPA Statewide Hybrid Defined Benefit Pension Plan. The plan requires the District and the employees to contribute 9% of the employees' wages to the plan.

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

The employees' contributions to the plan vest 100% when contributed. The District's contributions become vested ratably over a 3 year period. During the year ended December 31, 2023, the District and the employees made the contributed contributions of \$13,025 and \$13,025, respectively.

NOTE 14 - TAX, SPENDING 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 that 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.

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 the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On May 7, 1996, a majority of the District's electors voting in the election authorized the District to collect, retain, and spend all revenue from all sources in 1996 and subsequent years without regard to any limitation under TABOR or the 5.5% limit of Section 29-1-301.

On May 2, 2000, voters within the District approved a ballot issue imposing an additional ad valorem property tax rate of 2.000 mills, increasing District taxes by \$155,438 annually. This rate increase, which commenced January 1, 2000 resulted in a total District mill levy rate, exclusive of refunds or abatements, of 11.740 mills providing fire protection, rescue, emergency medical and ambulance services, acquisition of capital equipment, construction of facilities, and hiring of additional personnel. The District was authorized to collect, retain, and spend all revenue generated from its 11.740 mill levy imposed.

On November 3, 2009, voters within the District approved the following ballot issue:

Shall Elizabeth Fire Protection District taxes be increased \$272,500 (first full fiscal year dollar increase) annually beginning in levy year 2009 (collected in 2010) and ending after the levy in year 2016 (collected in 2017) by increasing the District's existing tax by 1.970 mills to be used for: necessary upgrades to fire stations 1, 2, & 3; purchase of two structural fire engines; purchase of two wild land fire trucks; purchase of two emergency medical ambulances; purchase of two incident command vehicles; update apparatus & firefighter safety equipment; provided, that for the 8 years this capital improvement tax is in place, the revenue from the 1.970 mills and any earnings on this tax shall constitute a voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes, and any other law?

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

On November 8, 2016, voters within the District approved the following ballot issue:

Without raising additional taxes, shall the existing Elizabeth Fire Protection District 1.970 mill property taxes designated for capital projects be extended indefinitely from its current expiration of December 31, 2017, and to be used only for capital improvements, all revenue and earnings from this tax constituting a permanent voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes and any other law.

On November 6, 2018, voters within the District approved the following ballot issue:

Shall Elizabeth Fire Protection District be authorized to increase or decrease its current and all future mill levies only if, on or after November 6, 2018, there are changes in the method of calculating assessed valuation, including but not limited to a change in the percentage of actual valuation used to determined residential assessed valuation due to Article X Section 3 of the Colorado Constitution (commonly known as the Gallagher Amendment), so that, to the extent possible, the actual tax revenues generated by such mill levies are the same as the actual tax revenues that would have been generated had such changes not occurred?

NOTE 15 - TRANSFERS

For the year ended December 31, 2023, the Impact Fees Capital Projects Fund made a transfer to the General Fund to be used for the lease payments on the District's Administration Building.

	Transfer To (From)
General Fund	\$ 75,000
Impact Fees Capital Projects Fund	(75,000)
	\$ -

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

REQUIRED SUPPLEMENTARY INFORMATION

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
VOLUNTEER FIREFIGHTER PENSION PLAN
LAST NINE FISCAL YEARS**

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ -	\$ 115,987	\$ -	\$ 123,111	\$ -	\$ -	\$ -	\$ -	\$ 1,456
Interest on the total pension liability	112,878	-	119,869	-	127,663	130,576	127,754	130,662	137,548
Difference between expected and actual experience	(151,184)	-	(8,770)	-	30,717	-	26,080	-	(64,229)
Changes in assumptions or other inputs	8,398	-	-	-	67,703	-	53,218	-	-
Benefit payments	(157,125)	(163,575)	(169,425)	(169,425)	(169,425)	(169,425)	(169,425)	(169,425)	(162,473)
Net Change in Total Pension Liability	(187,033)	(47,588)	(58,326)	(46,314)	56,658	(38,849)	37,627	(38,763)	(87,698)
Total Pension Liability - Beginning	1,689,780	1,737,368	1,795,694	1,842,008	1,785,350	1,824,199	1,786,572	1,825,335	1,913,033
Total Pension Liability - Ending (a)	<u>\$ 1,502,747</u>	<u>\$ 1,689,780</u>	<u>\$ 1,737,368</u>	<u>\$ 1,795,694</u>	<u>\$ 1,842,008</u>	<u>\$ 1,785,350</u>	<u>\$ 1,824,199</u>	<u>\$ 1,786,572</u>	<u>\$ 1,825,335</u>
Plan Fiduciary Net Position									
District contributions	\$ 64,477	\$ 64,477	\$ 64,477	\$ 55,086	\$ 55,086	\$ 44,811	\$ 44,811	\$ 58,548	\$ 58,548
State of Colorado contributions	18,220	36,440	-	18,220	18,220	18,220	18,220	18,220	18,220
Pension plan net investment income	(79,750)	139,604	114,290	129,902	888	142,579	54,472	20,583	78,152
Benefit payments	(157,125)	(163,575)	(169,425)	(169,425)	(169,425)	(169,425)	(169,425)	(169,425)	(162,473)
Administrative expense	(7,373)	(8,563)	(6,085)	(6,808)	(6,238)	(6,088)	(1,910)	(2,747)	(2,164)
Net Change in Plan Fiduciary Net Position	(161,551)	68,383	3,257	26,975	(101,469)	30,097	(53,832)	(74,821)	(9,717)
Plan Fiduciary Net Position - Beginning	1,062,718	994,335	991,078	964,103	1,065,572	1,035,475	1,089,307	1,164,128	1,173,845
Plan Fiduciary Net Position - Ending (b)	<u>\$ 901,167</u>	<u>\$ 1,062,718</u>	<u>\$ 994,335</u>	<u>\$ 991,078</u>	<u>\$ 964,103</u>	<u>\$ 1,065,572</u>	<u>\$ 1,035,475</u>	<u>\$ 1,089,307</u>	<u>\$ 1,164,128</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ 601,580</u>	<u>\$ 627,062</u>	<u>\$ 743,033</u>	<u>\$ 804,616</u>	<u>\$ 877,905</u>	<u>\$ 719,778</u>	<u>\$ 788,724</u>	<u>\$ 697,265</u>	<u>\$ 661,207</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>59.97%</u>	<u>62.89%</u>	<u>57.23%</u>	<u>55.19%</u>	<u>52.34%</u>	<u>59.68%</u>	<u>56.76%</u>	<u>60.97%</u>	<u>63.78%</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: Information for the prior year was not available to report.

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
VOLUNTEER FIREFIGHTER PENSION PLAN
LAST TEN YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 78,276	\$ 78,276	\$ 82,697	\$ 82,697	\$ 73,306	\$ 73,306	\$ 63,031	\$ 63,031	\$ 76,768	\$ 76,768
Contributions in relation to the actuarially required contribution:										
District contribution	(64,477)	(64,477)	(64,477)	(64,477)	(55,086)	(55,086)	(44,811)	(44,811)	(58,548)	(58,548)
State of Colorado contribution	-	(18,220)	(36,440) (A)	-	(18,220)	(18,220)	(18,220)	(18,220)	(18,220)	(18,220)
Contribution deficiency (excess)	\$ 13,799	\$ (4,421) (B)	\$ (18,220)	\$ 18,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level dollar, open *
- Remaining amortization period: 20 years *
- Asset valuation method: 5 - year smoothed fair value
- Investment rate of return: 7.0%
- Projected salary increases: Not applicable
- Inflation: 2.5%
- Cost-of-living adjustments: None
- Retirement age: 50% per year of eligibility until 100% at age 65
- Mortality: 50% per year of eligibility until 100% at age 65

Pre-retirement: 2006 central rates from the RP-2014 Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.

Post-retirement: 2006 central rates from the RP-2014 Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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.

(A) - The District applied for the State of Colorado contribution during 2020, however the State of Colorado had not made the contribution as of December 31, 2020. The District received the 2020 contribution in 2021.

(B) - The District applied for the State of Colorado contribution during 2023, however the State of Colorado had not made the contribution as of December 31, 2023. The District received the 2023 contribution in 2024.

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF THE NET PENSION LIABILITY
VOLUNTEER FIREFIGHTER PENSION PLAN
LAST NINE FISCAL YEARS(1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$ 1,502,747	\$ 1,689,780	\$ 1,737,368	\$ 1,795,694	\$ 1,842,008	\$ 1,785,350	\$ 1,824,199	\$ 1,786,572	\$ 1,825,335
Plan Fiduciary Net Position	(901,167)	(1,062,718)	(994,335)	(991,078)	(964,103)	(1,065,572)	(1,035,475)	(1,089,307)	(1,164,128)
Net Pension Liability	\$ 601,580	\$ 627,062	\$ 743,033	\$ 804,616	\$ 877,905	\$ 719,778	\$ 788,724	\$ 697,265	\$ 661,207
Plan Fiduciary Net Position as a % of Total Pension Liability	59.97%	62.89%	57.23%	55.19%	52.34%	59.68%	56.76%	60.97%	63.78%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) - The amounts presented for each fiscal year were determined as of 12/31.

NOTE: Information for the prior year was not available to report.

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE HYBRID PENSION PLAN
LAST THREE FISCAL YEARS (1)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's Proportion of the Net Pension Liability (Asset)	7.7861181%	8.7163891%	7.2479187%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (113,556)	\$ (3,305,227)	\$ (1,993,547)
District's Covered Payroll	\$ 1,606,388	\$ 1,639,683	\$ 683,857
Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	7.07%	201.58%	291.52%
Calculation of Collective Net Pension Liability (Asset):			
Total Pension Liability	\$ 106,056,059	\$ 77,369,219	\$ 72,402,198
Plan Fiduciary Net Position	(107,514,506)	(115,288,898)	(99,907,288)
Net Pension Liability (Asset)	<u>\$ (1,458,447)</u>	<u>\$ (37,919,679)</u>	<u>\$ (27,505,090)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.38%	149.01%	137.99%

(1) - The amounts presented for each fiscal year were determined as of 12/31.

NOTE: Information for the prior seven years was not applicable as the District joined the FPPA Statewide Hybrid Plan effective July 1, 2020, during the December 31, 2020 measurement period. The District's contributions were annualized by FPPA for the calculation of the proportionate share for the December 31, 2020 measurement period. The District's Covered Payroll has not been annualized above for the December 31, 2020 measurement period.

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE HYBRID PENSION PLAN
LAST FOUR FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 169,647	\$ 143,332	\$ 147,573	\$ 61,547
Contributions in Relation to the Contractually Required Contribution	<u>(169,647)</u>	<u>(143,332)</u>	<u>(147,573)</u>	<u>(61,547)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,823,140	\$ 1,606,388	\$ 1,639,683	\$ 683,857
Contributions as a Percentage of Covered Payroll	9.31%	8.92%	9.00%	9.00%

NOTE: Information for the prior six years was not applicable as the District joined the FPPA Statewide Hybrid Plan effective July 1, 2020, during the December 31, 2020 measurement period.

SUPPLEMENTARY INFORMATION

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL MILL LEVY CAPITAL PROJECTS FUND
Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 458,153	\$ 458,310	\$ 157
Net investment income	500	30,973	30,473
Total revenues	<u>458,653</u>	<u>489,283</u>	<u>30,630</u>
EXPENDITURES			
County Treasurer's fees	13,744	13,357	387
Debt service:			
Principal	111,042	124,099	(13,057)
Interest and other fiscal charges	17,050	17,050	-
Capital outlay:			
Buildings - capitalized	19,817	10,000	9,817
Vehicles - capitalized	175,000	108,856	66,144
Equipment - capitalized	-	50,636	(50,636)
Buildings - significant repairs	-	31,010	(31,010)
Vehicles - significant repairs	-	14,777	(14,777)
Equipment - below capitalization threshold	112,000	76,291	35,709
Total expenditures	<u>448,653</u>	<u>446,076</u>	<u>2,577</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,000</u>	<u>43,207</u>	<u>33,207</u>
OTHER FINANCING SOURCES (USES)			
Lease proceeds	-	56,000	56,000
Transfer (out)	(10,000)	-	10,000
Total other financing sources (uses)	<u>(10,000)</u>	<u>56,000</u>	<u>66,000</u>
NET CHANGE IN FUND BALANCE	-	99,207	99,207
FUND BALANCE - BEGINNING OF YEAR	<u>344,028</u>	<u>423,956</u>	<u>79,928</u>
FUND BALANCE - END OF YEAR	<u>\$ 344,028</u>	<u>\$ 523,163</u>	<u>\$ 179,135</u>

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - IMPACT FEES CAPITAL PROJECTS FUND
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Impact fees	\$ 75,678	\$ 212,682	\$ 137,004
Net investment income	30	5,355	5,325
Total revenues	<u>75,708</u>	<u>218,037</u>	<u>142,329</u>
EXPENDITURES			
Professional services	10,000	12,000	(2,000)
Total expenditures	<u>10,000</u>	<u>12,000</u>	<u>(2,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>65,708</u>	<u>206,037</u>	<u>140,329</u>
OTHER FINANCING SOURCES (USES)			
Transfer (out)	<u>(77,000)</u>	<u>(75,000)</u>	<u>2,000</u>
Total other financing sources (uses)	<u>(77,000)</u>	<u>(75,000)</u>	<u>2,000</u>
NET CHANGE IN FUND BALANCE	(11,292)	131,037	142,329
FUND BALANCE - BEGINNING OF YEAR	<u>27,893</u>	<u>51,968</u>	<u>24,075</u>
FUND BALANCE - END OF YEAR	<u>\$ 16,601</u>	<u>\$ 183,005</u>	<u>\$ 166,404</u>

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - INFRASTRUCTURE FEE CAPITAL PROJECTS FUND
Year Ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Infrastructure fees	\$ 5,200	\$ 9,360	\$ 4,160
Net investment income	25	2,601	2,576
Total revenues	<u>5,225</u>	<u>11,961</u>	<u>6,736</u>
EXPENDITURES			
Capital outlay:			
Cisterns - capitalized	15,000	10,822	4,178
Total expenditures	<u>15,000</u>	<u>10,822</u>	<u>4,178</u>
NET CHANGE IN FUND BALANCE	(9,775)	1,139	10,914
FUND BALANCE - BEGINNING OF YEAR	<u>98,519</u>	<u>54,352</u>	<u>(44,167)</u>
FUND BALANCE - END OF YEAR	<u>\$ 88,744</u>	<u>\$ 55,491</u>	<u>\$ (33,253)</u>

OTHER INFORMATION

**ELIZABETH FIRE PROTECTION DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied			Total	Property Taxes		Percentage Collected to Levied
		General Fund	Capital Mill Levy Capital Projects Fund			Levied	Collected	
2007	\$ 126,405,935	11.778 *	0.000	11.778	\$ 1,488,809	\$ 1,486,772	99.9%	
2008	\$ 138,427,565	11.871 *	0.000	11.871	\$ 1,643,274	\$ 1,636,622	99.6%	
2009	\$ 140,945,510	11.828 *	0.000	11.828	\$ 1,667,103	\$ 1,657,594	99.4%	
2010	\$ 135,877,326	13.769 *	0.000	13.769	\$ 1,870,895	\$ 1,876,578	100.3%	
2011	\$ 139,596,664	13.791 *	0.000	13.791	\$ 1,925,177	\$ 1,925,271	100.0%	
2012	\$ 129,293,842	13.758 *	0.000	13.758	\$ 1,778,825	\$ 1,772,124	99.6%	
2013	\$ 129,285,770	13.767 *	0.000	13.767	\$ 1,779,877	\$ 1,771,976	99.6%	
2014	\$ 127,129,393	13.805 *	0.000	13.805	\$ 1,755,021	\$ 1,754,367	100.0%	
2015	\$ 127,522,779	13.752 *	0.000	13.752	\$ 1,753,693	\$ 1,750,685	99.8%	
2016	\$ 143,609,333	13.734 *	0.000	13.734	\$ 1,972,331	\$ 1,980,830	100.4%	
2017	\$ 145,940,068	13.742 *	0.000	13.742	\$ 2,005,508	\$ 2,006,493	100.0%	
2018	\$ 171,381,242	11.743 *	1.971 *	13.714 *	\$ 2,350,322	\$ 2,346,507	99.8%	
2019	\$ 173,125,514	11.751 *	1.972 *	13.723 *	\$ 2,375,801	\$ 2,369,614	99.7%	
2020	\$ 199,951,867	11.840 *, **	1.983 *, **	13.823 *	\$ 2,763,934	\$ 2,756,986	99.7%	
2021	\$ 204,247,751	11.843 *, **	1.990 *, **	13.833 *	\$ 2,825,358	\$ 2,823,467	99.9%	
2022	\$ 223,636,503	11.812 *, **	1.982 *, **	13.794 *	\$ 3,084,842	\$ 3,087,781	100.1%	
2023	\$ 225,655,043	12.113 *, **	2.032 *, **	14.145 *	\$ 3,191,890	\$ 3,189,349	99.9%	
Estimated for year ending December 31, 2024	\$ 298,413,072	12.402 *, **	2.081 *, **	14.483 *	\$ 4,321,916			

NOTE: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information

* Includes mill levy for tax refunds and abatements.

** Includes mill levy adjustment for changes in the residential assessment rate as allowed by the District's November 6, 2018 election.

SINGLE AUDIT SECTION



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

To the Board of Directors
Elizabeth Fire Protection District
Elbert County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Elizabeth Fire Protection District, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise Elizabeth Fire Protection District's basic financial statements and have issued our report thereon dated September 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Elizabeth Fire Protection District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Elizabeth Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of Elizabeth Fire Protection District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Elizabeth Fire Protection District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Elizabeth Fire Protection District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Elizabeth Fire Protection District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Elizabeth Fire Protection District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
September 23, 2024



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Elizabeth Fire Protection District
Elbert County, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Elizabeth Fire Protection District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Elizabeth Fire Protection District's major federal programs for the year ended December 31, 2023. Elizabeth Fire Protection District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Elizabeth Fire Protection District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Elizabeth Fire Protection District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Elizabeth Fire Protection District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Elizabeth Fire Protection District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Elizabeth Fire Protection District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a

substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Elizabeth Fire Protection District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Elizabeth Fire Protection District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Elizabeth Fire Protection District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Elizabeth Fire Protection District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
September 23, 2024

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023**

Federal Grantor	Assistance Listing Number	Federal Award Expenditures
U.S. Department of Homeland Security		
FEMA - Assistance to Firefighters Grant	97.044	\$ 796,273
Total U.S. Department of Homeland Security		<u>796,273</u>
Total Federal Financial Assistance		<u><u>\$ 796,273</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The schedule of expenditures of federal awards is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore some amounts presented in this schedule may differ from amounts presented in the financial statements.

The Elizabeth Fire Protection District used the de minimis indirect cost rate of 10% to recover allowable indirect costs.

The Elizabeth Fire Protection District used the modified accrual basis of accounting in preparing the Schedule of Expenditures of Federal Awards.

The Elizabeth Fire Protection District passed through \$641,601 worth of SCBAs that were purchased with the Federal funds from the Assistance to Firefighters Grant to other agencies for the year ended December 31, 2023

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023**

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material Weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material Weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes No

Identification of major programs:

Assistance to Firefighters Grant Assistance Listing Number 97.044

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Audited qualified as low-risk audited? Yes No

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023**

Current Year Findings:

2023 – 001: Audit Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Management of a financial reporting entity is required to establish and maintain internal controls over financial reporting to ensure that financial statements and the underlying information are properly stated in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). External auditors cannot be considered a part of this control system. During our testing, we noted that multiple adjustments for the Volunteer Pension Plan, the Statewide Hybrid Pension Plan, a Lease, Emergency Medical Service's receivables and revenue, prepaid expenses and deferred grant revenue that were required in order to fairly present the financial statements under U.S. GAAP.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements and underlying information are properly stated in accordance with U.S. GAAP.

Effect: A lack of controls in place over the financial reporting function increases the risk of the occurrence of misstatements, fraud, or errors not being detected and corrected.

Cause: The District's financial close process did not detect and correct the errors mentioned above.

Repeat Finding: This is not a repeat finding.

Recommendation: The organization should evaluate their financial reporting processes and controls to determine whether additional controls over its financial close process can be implemented to provide reasonable assurance that financial statements and underlying information are prepared in accordance with U.S. GAAP.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

Prior Year Findings:

None

**ELIZABETH FIRE PROTECTION DISTRICT
CORRECTIVE ACTION PLAN
December 31, 2023**

2023 – 001: Audit Adjustments

Recommendation: The organization should evaluate their financial reporting processes and controls to determine whether additional controls over its financial close process can be implemented to provide reasonable assurance that financial statements and underlying information are prepared in accordance with U.S. GAAP.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action in response to finding: The organization will review the yearend financial reporting and close process to determine where improvements may be made.

Name of the contact person responsible for corrective action: Sarah Fischer

Planned date for corrective action plan: April 2025