

ELLCOTT FIRE PROTECTION DISTRICT
INDEPENDENT AUDITORS' REPORT AND
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

Independent Auditors' Report	1
Management's Discussion and Analysis	3-6
Government-Wide Financial Statements	8-9
Fund Financial Statements	10-12
Notes to Financial Statements	14-20
Required supplementary information	22-23

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ellicott County Fire Protection District
Fountain, CO

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 Ellicott Fire Protection 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 respects, the respective financial position of the governmental activities and each major fund of the Ellicott Fire Protection District as of December 31, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards contained in Governmental Auditing Standards (Governmental 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 Financial Statements Section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore a guarantee that an audit conducted in accordance with GAAS and Governmental 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Governmental Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. Conclude whether, in our judgement, there are conditions or events, considered in aggregate, that raise substantial doubt about the entity'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 finding, 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 General Fund – Budget and Actual and management's discussion and analysis be presented to supplement the basic financial statements. Such information is 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 basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Williams and Koperberg, P.C.

Colorado Springs, Colorado
September 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ellicott Fire Protection District

Management's Discussion and Analysis

As of and for the year ended December 31, 2023

As management of the Ellicott Fire Protection District (the District), we offer readers of the District's financial statements this narrative analysis of the financial activities of the District for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the notes to the financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$2,496,879.
- Total revenues exceeded expenses by \$347,176.
- At the end of the current fiscal year, the unassigned fund balance for the District was \$913,843. The entire unassigned fund balance may be used to meet the District's obligations to citizens and creditors.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's financial statements a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

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

The *statement of activities* presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges or grant revenue (*business-type activities*). The governmental activities of the District include only general government and fire protection.

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 uses only two funds both of which are governmental funds: 1) the general fund, to account for all operations and 2) the capital improvement fund to account for all major capital acquisition and construction activity.

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

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

The District adopts an annual appropriated budget. Budgetary comparison schedules are included in the fund financial statements to demonstrate compliance with the adopted budget.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

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 exceeded liabilities by \$2,496,879 at the close of the most recent fiscal year.

A large portion of the District's net position (62%) reflects its investment in capital assets (e.g., land, buildings, equipment). The District uses these assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Unassigned net position of \$913,843 may be used to meet the government's ongoing obligations to citizens and creditors.

Ellicott Fire Protection District Condensed Statement of Net Assets

As of December 31, 2023

	2023
Current assets	\$ 940,506
Capital assets, net	1,810,665
Total assets	<u>\$2,751,171</u>
Accounts payable	\$ ==
Capital lease	254,992
Total liabilities	<u>254,992</u>
Non-spendable investment in capital assets net of related debt	1,556,373
Restricted	26,663
Unassigned	913,843
Total net position	<u>\$2,496,879</u>

Statement of Activities

	2023
Revenues:	
Program revenues:	
Grants and donations and other	\$159,946
Sale of asset	40,000
General revenues:	
Taxes	896,559
Interest earnings	==

Total revenue	<u>1,096,505</u>
Expenses:	
General government	20,439
Public safety	<u>728,890</u>
Total expenses	<u>749,329</u>
Increase in net position	347,176
Net position--beginning January 1	2,149,703
Net position--ending December 31	<u><u>\$2,496,879</u></u>

Fund Financial Analysis

The focus of the District’s governmental fund reporting 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, unrestricted 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 most recent fiscal year, the District’s general fund reported an ending fund balance of \$111,002 an increase of \$22,774 in comparison with the previous year. Approximately 76% of this total amount, \$84,339, constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of the fund balance is restricted or has been assigned to indicate that it is not available for new spending because it has already been committed to cover the state constitutionally mandated 3% TABOR reserve of \$26,663.

General Fund Budgetary Highlights

The District’s annual budget is the legally adopted expenditure control document of the District. The District did not amend its budget during the fiscal year. Budget variances can be summarized as follows:

- Total revenue was over budget due largely to additional taxes and other income.
- Expenditures came in under budget mainly due to operating expenditures.

The 2024 revenue budget is significantly higher than 2023 actual revenues due to higher taxes. Expenditures are higher than 2023 actual due to operating costs.

Request for Information

This financial report is designed to provide a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to Ellicott Fire Protection District, 75 North Ellicott Highway, Calhan, CO 80808.

FINANCIAL STATEMENTS

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

Assets	
Cash and equivalents	\$ 105,852
Cash with County Treasurer	5,150
Property tax receivable	829,504
Capital assets--	
Land	40,000
Other capital assets, net of depreciation--	
Fire station buildings	313,537
Fire trucks and equipment	1,457,128
	<hr/>
Total assets	<u>2,751,171</u>
 Liabilities	
Accounts payable	<hr/> -
	-
Capital leases payable	<hr/> 254,292
Total liabilities	<hr/> 254,292
 Net position	
Nonspendable - invested in capital assets, net of related debt	1,556,373
Restricted--TABOR emergency reserve	26,663
Unassigned	<hr/> 913,843
Total net position	<u><u>\$ 2,496,879</u></u>

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

**ELLICOTT FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Expenses	
General government	\$ 20,439
Public safety--fire protection	
Supplies and services	544,436
Depreciation	178,622
Interest	5,832
Total program expenses	<u>749,329</u>
 Program revenues	
Sale of asset	40,000
Other	96,100
Contract services, grants and donations	63,846
Total program revenue	<u>199,946</u>
Net program revenue	<u>(549,383)</u>
 General revenues	
Property tax	829,504
Specific ownership tax	67,055
Investment interest	-
Total general revenues	<u>896,559</u>
 Decrease in net position	 347,176
 Net position - beginning of the year	 <u>2,149,703</u>
 Net position - end of the year	 <u><u>\$2,496,879</u></u>

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

ELLCOTT FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General
Assets	
Cash and equivalents	\$ 105,852
Cash with county treasurer	5,150
Pension contribution receivable	-
Property tax receivable	829,504
Total assets	\$ 940,506
 Liabilities and fund balances	
Liabilities	
Accounts payable	\$ -
Pension payable	-
Total liabilities	-
Deferred inflow - property taxes	829,504
Total liabilities and deferred inflows	829,504
Fund balances	
Restricted for emergencies	26,663
Assigned to pension plan	-
Unassigned	84,339
Total fund balances	111,002
Total liabilities and fund balances	\$ 940,506

Reconciliation of Total Governmental Fund Balances
To Net Assets of Governmental Activities

Total governmental fund balances	\$ 111,002
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,810,665
Property tax assessment for 2023 not receivable in the current period	829,504
Capital lease payable	(254,292)
Net position of governmental activities	\$ 2,496,879

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

ELLCOTT FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General</u>
Revenues	
Taxes	
Property tax	\$ 642,540
Specific ownership tax	67,055
Contract services, grants and donations	63,846
Sale of asset	40,000
	<u>813,441</u>
Total revenues	813,441
Expenditures	
Current	
General government	20,439
Public safety	544,436
Capital outlay	303,452
Debt service	
Principal	14,608
Interest	5,832
	<u>888,767</u>
Total expenditures	888,767
Excess (deficiency) of revenues over (under) expenditures	<u>(75,326)</u>
Other financing sources (uses)	
Other financing sources - capital leases	96,100
Transfers out	-
	<u>-</u>
Total other financing sources (uses)	96,100
Net change in fund balances	20,774
Fund balances, beginning of year	<u>90,228</u>
Fund balances, end of year	<u>\$ 111,002</u>

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

**ELLCOTT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances - governmental funds \$ 20,774

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

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.

Expenditures for capital assets	303,452
Less current year depreciation	<u>(178,622)</u>
Excess capital expenditures over (under) depreciation	<u>124,830</u>

Property tax revenues are recorded in the statement of activities when the tax is levied; they are not reported in the funds until collected or collectible within 60 days of year end. 186,964

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Debt incurred is income in the governmental funds, but increases long-term debt in the statement of net assets.

Capital lease principal paid	14,608
Capital lease debt incurred	<u>96,100</u>

Change in net assets of governmental activities \$ 347,176

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

NOTES TO FINANCIAL STATEMENTS

ELLICOTT FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Ellicott Fire Protection District (the District) have been prepared in conformity with U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

A. Reporting entity

Hanover Fire Protection District is a fire district encompassing most of Hanover, Colorado. The District provides rural fire protection to the area staffed by volunteers from Hanover. Revenues are predominantly provided by property tax receipts and grants into the general funds and capital reserve funds. The accompanying financial statements consist only of Hanover Fire Protection District since the District has no component units and is not a component unit of any other governmental entity as defined by generally accepted accounting principles.

B. Government-wide and fund financial statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. The District does not allocate indirect expenses to functions in the Statement of Activities. 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 identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

C. 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

ELLCOTT FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

C. Measurement focus, basis of accounting, and financial statement presentation
(Continued)

earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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 District, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) operating grants and contributions, and 2) capital grants and contributions. General revenues include all taxes and investment earnings.

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

ELLCOTT FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

D. Assets, liabilities, and net position or equity

1. Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

2. Receivables

No allowance for doubtful accounts is considered necessary.

3. Capital assets

Capital assets, which include property, plant, and equipment, 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 \$500 and an estimated useful life in excess of one year.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Buildings and improvements	40 years
Fire fighting vehicles	15 years
Fire fighting equipment	10 years
Communication and computer equipment	5 years

4. Net position

In the government-wide financial statement, net position is reported in four categories: non-spendable, restricted, assigned and unassigned. Amounts not in spendable form, such as capital assets net of related debt, is separately reported as non-spendable. Assigned amounts are constrained by the District's intent to use for a specific purpose. Unassigned amounts are the District's remaining amounts not included in the previous two categories.

ELLCOTT FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

5. Fund equity

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

E. Property taxes

Property taxes are levied, assessed, become due and attach as an enforceable lien on property as of January 1st. Taxpayers have the option of paying their taxes in full on or before April 30th, or paying in two installments of one half due by February 28th with the remaining payment due by June 15th. Unpaid taxes become delinquent as of August 1st and are subject to collection procedures on or after October 1st. The dollar amount of property taxes receivable is included as a receivable and as current revenue in the government-wide financial statements but is included as a receivable and deferred revenue on the balance sheet for the governmental funds.

F. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Tax spending and debt limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending for all years after and including 1995. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has restricted net assets in the amount of \$26,663 in order to comply with the 3% reserve requirement for future year expenditures.

ELLCOTT FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

A. Tax spending and debt limitations (continued)

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

The District's Directors believe that the District is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretations. Ultimate implementation and impact upon the District's financial activity may depend upon litigation and legislative guidance.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits

The deposits at December 31, 2023 consisted of \$105,852 cash in bank and \$5,150 cash held by the County Treasurer.

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 District's cash in bank is deposited in a PDPA eligible public depository.

2. Receivables

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, deferred revenue reported in the governmental funds consisted of property taxes not yet available in the amount of \$829,504.

ELLICOTT FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

3. Capital assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	<u>\$40,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$40,000</u>
Capital assets being depreciated:				
Station buildings	832,297	67,106	--	899,403
Trucks and equipment	<u>3,160,957</u>	<u>236,346</u>	<u>40,000</u>	<u>3,357,303</u>
Total capital assets being depreciated	<u>3,993,254</u>	<u>303,452</u>	<u>40,000</u>	<u>4,256,706</u>
Less accum. Depreciation	<u>(2,347,919)</u>	<u>(178,622)</u>	<u>40,000</u>	<u>(2,486,041)</u>
Total capital assets being depreciated, net	<u>1,645,835</u>	<u>124,830</u>	<u>--</u>	<u>1,770,665</u>
Total capital assets, net	<u>\$1,685,835</u>	<u>\$124,830</u>	<u>\$ --</u>	<u>\$1,810,665</u>

NOTE 5 – LEASES PAYABLE

The District leased a new vehicle in 2023 for a \$96,100 and one in 2022 for \$172,800. Payments are as follows:

Lease payable to bank. Ten annual payments of \$12,992 beginning May 2023, including interest at 5.65%. Collateralized by equipment.	\$96,100
Lease payable to bank. Ten annual payments of \$20,440 beginning May 2022, including interest at 3%. Collateralized by equipment.	<u>158,192</u>
	<u>\$254,292</u>

ELLCOTT FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 –LEASES PAYABLE (continued)

Future lease obligations are as follows:

2024	\$33,432
2025	33,432
2026	33,432
2027	33,432
2028	33,432
Thereafter	<u>87,132</u>
	<u>\$254,292</u>

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to directors and subcontractors; and natural disasters. The District purchases commercial insurance for most risks of loss. There have been no significant claims in the past three years.

NOTE 7 – SUBSEQUENT EVENTS

Events subsequent to December 31, 2023, have been evaluated through September 18, 2024, the date these statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading.

REQUIRED SUPPLEMENTARY INFORMATION

**ELLCOT FIRE PROTECTION DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
Property tax	\$ 640,528	\$ 642,540	\$ 2,012
Specific ownership tax	-	67,055	67,055
Contract services, grants and donations	91,400	63,846	(27,554)
sale of assets	-	40,000	40,000
Total revenues	731,928	813,441	81,513
Expenditures			
Current			
General government			
Administration	43,634	20,439	23,195
Public safety			
Fire fighting expenses	255,189	91,537	163,652
Wages	343,825	260,250	83,575
Training expenses	6,000	1,566	4,434
Communications expenses	12,000	8,409	3,591
Equipment repairs	19,000	74,603	(55,603)
Stations & buildings maintenance	35,000	99,613	(64,613)
Insurance	55,000	8,458	46,542
Capital outlay	219,092	303,452	(84,360)
Debt service	-		
Principal	-	14,608	(14,608)
Interest	-	5,832	(5,832)
Contingency	51,689	-	51,689
Total expenditures	1,040,429	888,767	151,662
Excess (deficiency) of revenues over (under) expenditures	(308,501)	(75,326)	233,175
Other financing sources			
Capital leases	-	96,100	96,100
Total other financing sources	-	96,100	96,100
Net change in fund balances	\$ (308,501)	20,774	\$ 329,275
Fund balances, beginning of year		90,228	
Fund balances, end of year		\$ 111,002	

See notes to required supplementary information.

ELLCOTT FIRE PROTECTION DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 1 – BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of the Hanover Fire Protection District in accordance with Colorado Budget Laws. Budgets are prepared on the same basis as that used for accounting purposes. Budget appropriations lapse at the end of each year.

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

1. Prior to September 20th, the Hanover Fire Protection District directors begin preparing an operation budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures.
2. A public hearing is conducted at the Fire Hall to obtain taxpayers comments.
3. Prior to January 1st, the budget is legally enacted through passage of a resolution.
4. Budgets for the General and Capital Improvements Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).