

LOUISVILLE FIRE PROTECTION DISTRICT
Louisville, Colorado

BASIC FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023

LOUISVILLE FIRE PROTECTION DISTRICT
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ROBERT R. FEIS, CPA

INDEPENDENT AUDITORS' REPORT

**Board of Directors
Louisville Fire Protection District
Louisville, Colorado**

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Louisville Fire Protection District (the 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Louisville Fire Protection District as of December 31, 2023, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with Generally Accepted Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 6, the budgetary comparison information on page 38 and Pension information on pages 29 through 33 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 District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for the 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 addition procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is 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 comprises of the introductory and statistical sections, 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.

Leis & Co., P.C.

**CERTIFIED PUBLIC ACCOUNTANTS
Brighton, CO**

February 28, 2025

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

This Management Discussion and Analysis (MD&A) of Louisville Fire Protection District's (LFPD) financial performance provides an overview of financial activities for the year ended December 31, 2023. This section is a summary of financial activities based on currently known facts, decisions, or conditions. This MD&A is only an introduction and should be read in conjunction with LFPD's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

Net assets (assets less liabilities, deferred resources and pension obligation) totaled \$15,438,267. of the net assets, \$8,331,385 represents investment in capital assets. In addition, \$6,752,910 represents amounts reserved or committed for future capital asset improvements/acquisitions and \$353,972 for potential emergencies. A deficit of (\$2,747,623) represents the PERA retirement obligation plus related deferred resource inflows in excess of deferred resource outflows.

Total assets and deferred resources increased by \$2,156,474 which is net of the current year provision for depreciation of \$807,475. Total liabilities, pension liability and deferred resource inflows increased by \$644,729 and LFPD's total net position therefore increased by \$536,264.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an overview of the District's basic financial statements. The financial statements report information using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term information about the District's overall financial status. The Statement of Net Position presents information on all of District's assets, liabilities and deferred resources with the difference reported as net position. Over time, analysis of causes for increases and decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. The Statement of Activities and Governmental Fund Revenues, Expenditures, Expenses and Changes in Fund Balances and Net Position presents information showing how the District's net position changed during the 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 recorded in this statement for some items that will result in cash flows in future fiscal periods (for example, property tax to be collected by the county and not yet remitted to the District). The basic financial statements can be found on pages 6-10 of this report. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the financial statements. The notes to the financial statements can be found on pages 13-28 of this report.

See independent auditors' report.

FINANCIAL ANALYSIS

For the year ended December 31, 2023, assets exceeded liabilities and deferred resources by \$15,438,267. Firefighting is a capital-intensive enterprise, and approximately 100 percent of the net assets are invested in or committed for acquisition and improvements to capital assets. Following is summary of LFPD's net assets.

Assets	2023	2022
Current assets	\$ 20,975,346	\$ 17,294,791
Capital assets (net)	8,331,385	8,944,429
Total Assets	29,306,731	26,239,220
Deferred Outflow of Resources	1,452,132	2,363,169
Total Assets and Deferred Outflow of Resources	\$ 30,758,863	\$ 28,602,389
Liabilities	2023	2022
Current liabilities	\$ 505,249	\$ 646,157
Pension Liability	4,195,445	5,788,567
Total Liabilities	4,700,694	6,434,724
Deferred Resources	10,619,902	7,972,295
Total Liabilities and Deferred Resources	\$ 15,320,596	\$ 14,407,019
Net Position	2023	2022
Restricted - Tabor	\$ 353,972	\$ 238,303
Pension net obligation	(2,747,623)	(3,454,255)
Committed for capital improvements	9,500,533	8,466,893
Invested In capital assets	8,331,385	8,944,429
Total Net Position	\$ 15,438,267	\$ 14,195,370

LFPD's General Fund balance increased by \$1,149,309 in 2023. The following Summary Statement of Revenues, Expenses and Changes in General Fund Balances shows how the 2023 and 2022 changes in net assets occurred. The revenues increased compared to the prior year due to an increase in property tax and ambulance transport revenue in the current year. Expenditures were up in 2022 due to the purchase of a new fire truck, a new vehicle and emergency response equipment. The hiring of additional personnel, promotions and wage increases for existing staff and increased expenses for health insurance and worker's compensation also contributed to increased expenses in 2023.

See independent auditors' report.

Summary Statement of Revenues and Expenditures - General Fund

	2023	2022
Program & General Revenue	\$ 9,486,887	\$ 9,585,248
Expenditures	\$ (8,337,578)	\$ (8,723,567)
Net	\$ 1,149,309	\$ 861,678

Operating Revenues

As shown below, revenue increased by approximately 7% while expenditures increased approximately 42%. The following table shows 2023 revenue compared to 2022.

Operating Revenues	2023 Amount	2023 Percent of Total	2022 Amount	2022 Percent of Total
Property taxes	\$8,090,184	85.28%	\$8,517,962	88.80%
Ambulance Service Revenue	878,585	9.26%	810,379	8.40%
Investment Earnings	249,961	2.63%	6	0.00%
Plan Review Revenue	127,816	1.35%	106,807	1.10%
Other Revenue/Grants	140,341	1.48%	150,091	1.70%
Totals	\$9,486,887	100 00%	\$9,585,245	100 0%

Property tax revenue increased due to an increase in the assessed valuation of the District in 2021. Because Boulder County assesses and collects property taxes, LFPD is unable to determine the amount and timing of collection for delinquent taxes outstanding as of December 31, 2023; therefore, there is no accrual for delinquent taxes.

See independent auditors' report.

Operating Expenditures	2023 Amount	Percent of Total	2022 Amount	Percent of Total
Building construction, improvements and repairs	\$391,719	4.70%	\$158,918	1.80%
Equipment purchases and repairs	396,159	4.75%	1,182,855	13.50%
Volunteer firefighter expenses	---	0.00%	31,084	0.30%
Firefighting Operations	1,637,612	19.64%	2,181,167	27.40%
Administration	862,746	10.35%	786,462	6.60%
Salaries - Firefighting Service	3,763,776	45.14%	3,283,668	37.60%
Salaries - Ambulance Service	1,285,566	15.42%	1,099,413	12.80%
Total Operating Expenditures	\$8,337,578	100%	\$8,123,662	100%

Capital Assets

LFPD's investment in capital assets (original cost less accumulated depreciation) as of December 31, 2023, was \$8,331,385. Capital assets consist of fire trucks, support vehicles, land, buildings, firefighting and ambulance equipment, and office furniture and equipment. Major asset acquisitions totaled \$194,430 and there were no capital dispositions during 2023. There was depreciation for the year of \$ 807,475. This results in a decrease of (\$613,044) in the net value of the capital assets.

Capital Assets	Capital Assets 2023	Capital Assets 2022	Total Dollar Change
Land	\$484,510	\$484,510	-
Building and Improvements (Net)	\$6,304,334	\$6,621,265	\$ (316,931)
Firefighting and Other Equipment (Net)	\$1,542,541	\$1,838,654	\$ (296,113)
Total	\$8,331,385	\$8,944,429	\$ (613,044)

This year's additions were \$194,430 for three (3) new vehicles and other equipment.

See independent auditors' report.

Economic Factors and Future Outlook

The economy and property values of the Colorado Front Range, and specifically the area served by LFPD, have remained strong, as has local support of LFPD. Growth within the area increases the complexity of issues faced in providing fire protection and ambulance services. These issues have resulted in the need to hire employees to support the volunteer firefighters.

The district's current property tax of 10.586 mills was a result of voters of the district's approval in 2019 of an annual 3.9 mill increase for the purpose of enabling the District to continue providing critical fire, rescue and other emergency and non-emergency support services for the residents, property owners, and businesses served by the District including but not limited to:

- **Adding additional responders to improve response times and protect emergency services.**
- **Schedule replacement of emergency equipment and apparatus to maintain reliability and protect first responders.**
- **Retention and recruitment of firefighters and paramedics.**

For 2024, LFPD has budgeted \$8,053,110, to the General Fund and \$238,328 to the Pension Fund from property tax revenue. The General Fund also includes \$500,000 from ambulance transports, \$70,000 from plan reviews/permits, \$20,000 in interest, \$246,396 from the capital reserve, and \$555,447 from General Fund reserves. The Pension Fund budget also includes projected interest income from investments of \$25,000, reserve funds of \$46,409, and State of Colorado funding of \$167,363. This results in total budgeted revenue of \$9,444,953 for the General Fund and \$477,100 for the Pension Fund.

General Fund expenditures have been budgeted to purchase and maintain firefighting equipment, provide firefighter training, maintain the ambulance service, implement computer upgrades, provide public education, purchase emergency medical service equipment and supplies, and fund additional full-time career personnel. Pension Fund expenditures have been appropriated to fund volunteer firefighter pensions and related pension administrative costs.

LFPD maintains a web site at louisvillefire.com

See independent auditors' report.

BASIC FINANCIAL STATEMENTS

LOUISVILLE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2023

	<u>Primary Government - 2023</u>		
	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets and Deferred Outflows of Resources			
Assets:			
Cash and equivalents	\$ 9,584,320	\$ -	\$ 9,584,320
Accounts Receivable	104,921	-	104,921
Property taxes receivable	25,275	-	25,275
Accrued property taxes	10,615,592	-	10,615,592
Land	-	484,510	484,510
Other capital assets, net of accumulated depreciation	-	7,846,875	7,846,875
Due from Pension Fund	645,238	-	645,238
Net pension asset	-	-	-
Total Assets	20,975,346	8,331,385	29,306,731
Deferred outflows of resources:			
Deferred outflow - pensions	-	1,452,132	1,452,132
Total deferred outflows of resources	-	1,452,132	1,452,132
Total Assets and deferred outflows of resources	\$ 20,975,346	\$ 9,783,517	\$ 30,758,863
Liabilities and deferred inflows of resources			
Liabilities:			
Accounts payable	\$ 108,605	\$ -	\$ 108,605
Accrued absences	350,746	-	350,746
Accrued length of service	45,898	-	45,898
Net pension liability	-	4,195,445	4,195,445
Total Liabilities	505,249	4,195,445	4,700,694
Deferred inflows of resources:			
Deferred inflow - pensions	-	4,310	4,310
Deferred property taxes	10,615,592	-	10,615,592
Total deferred inflows of resources	10,615,592	4,310	10,619,902
Total liabilities and deferred inflows of resources	11,120,841	4,199,755	15,320,596
Fund Balances/Net Position			
Fund Balances:			
Committed	353,972	(353,972)	-
Assigned	-	-	-
Restricted	9,500,533	(9,500,533)	-
Total fund balance/ net position	9,854,505	(9,854,505)	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 20,975,346		
Net Position:			
Net investment in capital assets		8,331,385	8,331,385
Restricted - Tabor		353,972	353,972
Pension - Deficit Position		(2,747,623)	(2,747,623)
Restricted		9,500,533	9,500,533
Total Net Position		\$ 15,438,267	\$ 15,438,267

See independent auditors' report.
The accompanying notes are an integral
part of the financial statements.

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

Fund balance per Statement of Net Position	\$ 9,854,505
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet	8,331,385
Net pension asset or liability and related deferred inflows and outflows are not due and payable in the current period and therefore are not reported in the balance sheet	(2,747,623)
Net position per Statement of Net Position	\$ <u>15,438,267</u>

**See independent auditors' report.
The accompanying notes are an integral
part of the financial statements.**

**LOUISVILLE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Adjustments (Page 5)</u>	<u>Statement of Activities</u>
Revenues:			
Property tax revenue	\$ 8,090,184	\$ -	\$ 8,090,184
Transport revenue	878,585	-	878,585
Investment earnings	249,961	-	249,961
Charges for services	127,816	-	127,816
Grants and other revenue	140,341	-	140,341
Total Revenues	<u>9,486,887</u>	<u>-</u>	<u>9,486,887</u>
Expenditures/expenses:			
Fire protection:			
Fire protection - Operations	6,284,483	(706,633)	5,577,850
Ambulance transport services	1,858,665	-	1,858,665
Capital outlay	194,430	(194,430)	-
Depreciation	-	807,475	807,475
Total expenditures/expenses	<u>8,337,578</u>	<u>(93,588)</u>	<u>8,243,990</u>
Excess (deficiency) of revenues over expenditures	<u>1,149,309</u>	<u>93,588</u>	<u>1,242,897</u>
Other financing sources/uses:			
Transfers-internal activities	-	-	-
Total other financing sources/ uses	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	<u>1,149,309</u>	<u>(1,149,309)</u>	<u>-</u>
Change in net position	<u>-</u>	<u>1,242,897</u>	<u>1,242,897</u>
Fund balance/net position, beginning of year	<u>8,705,196</u>	<u>5,490,174</u>	<u>14,195,370</u>
Fund balance/net position, end of year	<u>\$ 9,854,505</u>	<u>\$ 5,583,762</u>	<u>\$ 15,438,267</u>

See independent auditors' report.
The accompanying notes are an integral
part of the financial statements.

**LOUISVILLE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Excess of revenues and transfers in over expenditures and transfers out - governmental funds and other funds	\$ 1,149,309
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Governmental funds report capital outlay 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:

Capital outlay	194,430
Depreciation	(807,475)

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 governmental funds:

Adjustment for change in pension assets and liabilities	706,633
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Change in Net Position	\$ <u>1,242,897</u>
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**See independent auditors' report.
The accompanying notes are an integral
part of the financial statements.**

**LOUISVILLE FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION -
PENSION TRUST FUND
DECEMBER 31, 2023**

		<u>2023</u>
<u>Assets</u>		
Cash and cash equivalents	\$	615,540
Investments (Note 2)		1,895,455
Receivable - State Matching Funds		167,363
Interest receivable		18,284
Total Assets	\$	<u>2,696,642</u>
 <u>Liabilities and Deferred Inflows of Resources</u>		
Due to General Fund	\$	<u>645,238</u>
Total Liabilities		<u>645,238</u>
 <u>Net Position</u>		
Net Position - reserved		
Reserved for retirement benefits		<u>2,051,404</u>
Total Net Position		<u>2,051,404</u>
Total Liabilities and Net Position	\$	<u>2,696,642</u>
 <u>Estimated Unfunded Pension Liability</u>		
Unfunded Pension Liability - January 1, 2023	\$	750,893
Components of Changes		
Revenue - Property Tax and State of Colorado		(405,691)
Investment (Income) Expense		(159,946)
Benefits paid		525,578
Administrative expenses		<u>2,019</u>
Unfunded Pension Liability - January 1, 2024	\$	<u>712,853</u>

See independent auditors' report.
The accompanying notes are an integral
part of the financial statements.

**LOUISVILLE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - PENSION TRUST FUND
DECEMBER 31, 2023**

	2023
Additions:	
Property tax revenues	\$ 238,328
State contribution	167,363
Earnings on investments	96,041
Gain (loss) on sale of investments	(8,624)
Totals	493,108
 Deductions:	
Benefits paid to retirees	525,578
Administration of fund	2,019
Totals	527,597
 Other Additions (Deductions):	
Unrealized gain (loss) on investments	72,529
Changes in plan net position	38,040
Net position, beginning of year	2,013,364
Net position, end of year	\$ 2,051,404

**See independent auditors' report.
The accompanying notes are an integral
part of the financial statements.**

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Louisville Fire Protection District (the "District") is governed pursuant to provisions of the Colorado Special District Act, by a five-member Board of Directors. The District's service area is located within Boulder County, Colorado. The District was established in 1978 and provides fire protection, rescue, emergency medical services and emergency services within its boundaries. The District receives the major portion of its revenue from taxes assessed on the property within its boundaries. The District operates out of three stations; one of the stations includes a training facility. Staffing includes firefighting and ambulance/paramedic force consisting of thirty-five full-time, career employees and approximately fifteen volunteer firefighters. The District also employs administrative staff members.

The District is the primary special purpose government responsible for all fire protection and emergency services within its service areas. As a result, all significant activities have been included in the basic financial statements. The District's financial statements represent those of a stand-alone government, as there are no component units. The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the District are discussed below.

Basic Financial Statements - Government Statements

The governmental financial statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is reduced by program revenues. General revenues including property tax revenues, investment earnings and miscellaneous revenues are budgeted to meet the operational and capital requirements of the function.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, LFPD considers revenues to be available if they are measurable and available at the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property tax revenue, ambulance service revenue, and interest income associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives payment. See Property Tax below.

Fund Accounting: The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

Governmental Fund: Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance or net position.

The District reports one major government fund: The General Fund which is used to account for all financial resources of the District except those required to be accounted for in the Fiduciary Fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

The General Fund balance is further classified as being either invested in capital assets, restricted for emergencies, or restricted for future capital acquisitions/improvements. Any commitments against these components of the General Fund are reported when the expense/expenditures are incurred.

Fiduciary Fund: Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position that are reported using accounting principles similar to businesses in the private sector.

The District's Fiduciary Fund is presented in the fiduciary fund financial statements by type (pension - See Note 4). Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds have not been incorporated into the government-wide statements and are restricted to be used for covered individuals' pension benefits.

Tax, Spending, and Debt Limitations

The Colorado State Constitution, Article X, Section 20 sets limits and specific requirements for state and local governments covering revenue-raising, spending abilities and other areas. Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves. The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, 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.

Except for bond refinancing at lower interest rates or adding volunteer firefighters to existing pension plans, the Constitution specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

The Constitution requires that emergency reserves be established. These reserves must be at least three (3) percent of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2023, totaling \$353,972 are included in the fund balance in the General Fund. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary benefit increases.

An election was held May 7, 1996, in which the following ballot issue received voter approval:

The Louisville Fire Protection District shall be permitted to collect and spend for the purpose of funding capital projects, including the purchase of equipment, as a voter approved revenue change and property tax revenue change under Article X, Section 20 of the Colorado Constitution, whatever additional revenues are raised annually in 1996 and each year thereafter from its existing mill levy without any increase, and from specific ownership taxes, interest income, grants, and any other income of the District; such authority to collect and expend such amounts to constitute an exception to all limits which otherwise apply including the provisions of the 5.5% limitation of Section 29-1-201, Colorado Statutes. This section of the Constitution is complex and subject to judicial interpretation. Based on certain interpretations of its language, the district believes it is in compliance with the requirements.

Cash and Cash Equivalents

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Highly liquid investments with a maturity of three months or less are also considered cash equivalents.

Investments

Investments are accounted for in the appropriate funds and are stated at market value. Investments consist of U.S. Treasury notes and bills, certificates of deposit, and money funds.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Resources

The District reports deferred resources in the governmental fund balance sheet. A deferral arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In general, monies received within thirty-one days after year-end are considered to have been for prior year services. The District has accrued 2023 property taxes to be collected in 2024 as a deferred resource and a receivable in the accompanying governmental funds balance sheet. (See Property Tax below).

Encumbrances - Encumbrance accounting is not used.

Property Tax

Annual property taxes are levied and assessed on property as of January 1 and are certified by the County by December 15th of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property, and collects the property taxes on behalf of the District and remits them to the District on a monthly basis. The District has accrued the 2023 taxes to be collected in 2024 in the accompanying financial statements with a corresponding offset to deferred resources. Property tax revenues are recognized as revenue in the year in which they are intended to finance operating expenditures. The Board of Directors designates the total mill levy to the general fund. The allocation to the pension fund is based on the prior year's contribution and the actuarial study's estimated required contribution.

Accumulated Unpaid Vacation and Sick Pay

Accumulated unpaid vacation and sick pay are accrued as earned.

Inter-fund Receivables and Payables

Lending and borrowing arrangements between funds that are outstanding at the end of the fiscal year are referred to as "inter-fund payables or receivables".

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Risk Management

All general fixed assets are covered by commercial insurance within limits deemed appropriate by management. The District also carries employee dishonesty and workers compensation covering employees, the Board of Directors', and the volunteer firefighters. There have been no significant reductions in insurance coverage, and there is no known claim liabilities required to be estimated and disclosed for which the District bears risk of loss.

NOTE 2 – CASH, DEPOSITS AND INVESTMENTS

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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits cannot be returned to it. As of year-end the District's bank balance was either insured or collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2023, the District had cash balances with maturities less than one year stated at cost as follows:

Insured	\$ 646,350
Uninsured: Required to be collateralized	<u>9,553,510</u>
Total Cash Deposits	<u>\$ 10,199,860</u>

The bank balance of the deposits listed above are classified in three categories of credit risk as follows: a) Uncollateralized; b) Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name; c) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 2 – CASH, DEPOSITS AND INVESTMENTS (continued)

Investments

The District's investments are categorized as either (1) insured or registered, or for which the securities are held by the District or its agent in the District's name, (2) uninsured and unregistered for which the securities are held by the counterpart's trust department or agent in the District's name or (3) uninsured and unregistered for which the securities are held by the counterpart or by its trust department or agent but not in the District's name. As of December 31, 2023, all investments, other than Pension trust investments, are considered category 1. As of December 31, 2023, the District has \$1,895,455 invested in WF Investments.

Colorado statutes specify in which instruments the units of local government may invest, which include:

Repurchase Agreements, obligations of the United States or obligations unconditionally guaranteed by the United States, federally insured mortgages and student loans. Participation with other local governments in pooled investment funds (trusts), these trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments.

Credit Risk – State law limits investments for fire districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institution have assets in excess of \$1 billion or the highest credit rating from one or more nationally recognized rating agency.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the District currently limits the maturity of investment instruments to a maximum of five years for governmental funds.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in the cost of general fixed assets is as follows:

	Balance			Balance
	Jan. 1, 2023	Additions	Deletions	Dec. 31, 2023
Land	\$ 484,510	\$ -	\$ -	\$ 484,510
Buildings and Improvements	10,883,156	36,859	-	10,920,015
Fire Fighting Equipment	6,978,232	157,571	-	7,135,803
Ambulance Equipment	1,267,191	-	-	1,267,191
Furniture and Equipment	947,034	-	-	947,034
Total General Fixed Assets	20,560,123	194,430	-	20,754,553
Less Accumulated Depreciation	(11,615,694)	(807,474)	-	(12,423,168)
NET GENERAL FIXED ASSETS	\$ 8,944,429	\$ (613,044)	\$ -	\$ 8,331,385

Depreciation expense for the year ended December 31, 2023, totaled \$807,474.

NOTE 4 - VOLUNTEER PENSION FUND

In 2006, the Pension Board of Trustees approved a resolution recognizing, ratifying, and approving: 1) the creation within the District's Volunteer Program of a Traditional Volunteer Firefighter Program and a Reserve Volunteer Firefighter Program, effective December 1, 2006; 2) the closing of the Traditional Volunteer Firefighter Program to new members effective December 2, 2006; and 3) the establishment of the Louisville Volunteer Firefighter Length of Service Award Plan for the Reserve Volunteer Firefighter Program effective January 1, 2007. The following paragraphs describe terms of the current Traditional Volunteer Firefighter Program.

The District sponsors the Louisville Volunteer Fire Protection District Pension Fund (the Fund), a single-employer defined benefit pension plan for volunteer firefighters who are eligible for the Traditional Volunteer Firefighter Program. The plan is administered and may be amended by the District's Board of Directors in accordance with the Colorado Revised Statutes. No contributions are required to be made by covered members. Amounts and types of investments held by the Fund at December 31, 2023, are reported at fair market value and are further described in Note 2.

Plan Provisions for the Traditional Volunteer Firefighter Program

Covered fire fighters who have completed ten years of active service shall be eligible for a monthly pension at age fifty. The pension benefit is earned \$45 per month per year of volunteer service with a maximum monthly benefit of \$1,100 as of January 1, 2023. The plan continues to pay fifty percent of the retiree's pension benefit to the surviving spouse of retired participants.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 4- VOLUNTEER PENSION FUND (continued)

Funding Policy for the Traditional Volunteer Firefighter Program

The District contributes an amount to the pension fund from proceeds of a mill levy on the assessed valuation of taxable property in the district. The fund also receives a contribution from the State of Colorado which was \$167,363 and \$167,363 for 2023 and 2022, respectively.

Length of Service Award

This District no longer covers new volunteers by the above program. Beginning in 2007 annual deposits are made to accounts maintained for covered volunteers. Accumulated accounts are distributed when a covered individual leaves the District.

Actuarial Study for the Traditional Volunteer Firefighter Program

A biennial actuarial valuation is prepared by an actuarial consulting firm. The January 1, 2024 actuarial study concluded the asset position of the Pension Fund and the anticipated level of contributions to the Pension Fund were considered adequate to support the benefits on an actuarially sound basis, and that the current contributions level was adequate to pay the current service cost and amortize the unfunded accrued liability over 20 years. The unfunded actuarial past service liability was determined to be \$4,658,886. A copy of the current study may be obtained by contacting Actuarial Solutions Corp. 9646 S. Cherryvale Drive, Highlands Ranch, CO 80126.

The net pension obligation shown below is a standardized disclosure which measures the difference between the cumulative annual pension costs and contributions made to the Pension Fund. The annual required contribution is a disclosure measure of the annual pension cost. Both standardized measures were calculated as of January 1, 2024, based upon the normal entry age actuarial cost method and certain actuarial assumptions including: a 4.0% rate of investment return (net of expenses); all covered volunteers will retire when first eligible, 80% of volunteers are married to spouses two years younger; and using the RP-2000 (dynamic) Table for pre-retirement and post retirement mortality.

Plan membership as of January 1, 2024 totaled 61 individuals and their beneficiaries. Of that total, one (1) member was active, not yet drawing benefits; fifty-three (53) were Normal Retired drawing benefits including Beneficiaries drawing benefits and seven (7) were Vested Retired not drawing benefits.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 4 - VOLUNTEER PENSION FUND (continued)

The following is derived from actuarial studies performed as of the dates indicated in the column headings.

Defined Benefit Retirement Plan – Schedule of Funding Progress at January 1:

	2024	2022	2020	2018
Actuarial Accrued Liability	\$7,372,873	\$ 6,714,649	\$ 6,717,349	\$ 7,553,327
Actuarial value of assets	(2,713,987)	(2,709,019)	(2,729,893)	(2,679,596)
Unfunded actuarial accrued liability	4,658,886	4,005,630	3,987,456	4,873,731
Funded Ratio	37%	40%	41%	36%
Annual Pension Cost and Net Pension Obligation				
Estimated annual required contribution to cover current service costs plus 20-year amortization of the Entry Age Normal Accrued Liability	\$264,524	\$234,476	\$ 232,847	\$281,461
Contributions made	\$ (405,691)	\$ (405,691)	\$(405,691)	\$ (405,691)

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer define benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). 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 LGDTF are determined by the fund administrators 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.

General Information about the Pension Plan

Eligible District employees are provided with pension benefits. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, 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. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 5- DEFINED BENEFIT PENSION PLAN

The lifetime retirement benefit for all eligible retiring employees under the Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the LFPD Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first ten years of service credit plus \$20 times service credit over ten years plus a monthly amount equal to the annualized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution-accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the LFPD benefit structure receive an annual increase of 2 percent, unless PERA has a negative Investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 5- DEFINED BENEFIT PENSION PLAN (continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified In C.R.S. § 24-51-208(1)(f) ¹	(1.02) %
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified In C.R.S. § 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions revenue is recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions received by the LGDTF from the District were \$689,9165 for the year ended December 31, 2023.

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

At December 31, 2023, the District reported a liability of \$4,195,445 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 5 - DEFINED BENEFIT PENSION PLAN (continued)

The Districts' proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers to the LGDTF.

For the year ended December 31, 2023, the District recognized pension expense of \$478,824. At 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	-	4,310
Changes of assumptions or other Inputs	-	-
Net difference between projected and actual earnings on pension plan Investments	1,452,132	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
Total	1,452,132	4,310

Deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. The net of the differences between expected and actual experiences and changes in assumptions and other inputs will be as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized in pension expense for each of the subsequent five years and in the aggregate thereafter as follows:

Year ended December 31,	
2023	1,622,648
2024	1,033,170
2025	519,616
Thereafter	-

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 5- DEFINED BENEFIT PENSION PLAN (continued)

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20-11.30 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price Inflation	7.25 percent
Discount Rate	7.25 percent
Future post-retirement benefit increases: PERA Benefit Structure hired prior to 1/1/07 and DPS Benefit Structure (automatic)	1.00 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2016 through December 31, 2019, adopted by PERA's Board on November 18, 2016, and an economic assumption study, adopted by PERA's Board on November 20, 2020.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 5- DEFINED BENEFIT PENSION PLAN (continued)

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 20, 2020 the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED¹ until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current 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. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 per- cent, 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	8,223,539	4,195,445	821,261

Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 5 - DEFINED BENEFIT PENSION PLAN (continued)

Voluntary Investment Program

Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District did not contribute or make matching contributions to this plan for 2023. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2022, program members contributed \$143,153 to the Voluntary Investment Program.

Other Post-Employment Benefits

Health Care Trust Fund

The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2023, December 31, 2022 and December 31, 2021, the District contributions to the HCTF were \$459,943, \$415,705 and \$356,541, respectively, equal to their required contributions for each year.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE 6 – SUBSEQUESNT EVENTS

For the year ended December 31, 2023, the District has evaluated subsequent events for potential recognition and disclosure through the date of the Independent Auditors' Report, the date of the financial statement's issuance. No events requiring disclosure in the financial statements were identified.

NOTE 7 – PENSIONS FUND BUDGET

For the year ended December 31, 2023 the Volunteer Pension Fund paid \$525,578 in pension benefits to retirees, which exceeded the 2023 approved annual Budget by approximately \$52,978. The excess budget amount was funded through existing Pension Fund Net Assets available as of December 31, 2022 and the increase in monthly benefits was approved by the Board in December 2022.

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

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

	GENERAL FUND - 2023				Actual 2022 Memorandum only
	Budget		Actual	Variance favorable (unfavorable)	
	Original	Final			
Revenues:					
Property tax revenue	\$ 8,053,110	\$ 8,053,110	\$ 8,090,184	\$ 37,074	\$ 8,517,962
Ambulance transport revenue	500,000	500,000	878,585	378,585	810,379
Investment earnings	20,000	20,000	249,961	229,961	6
Charges for services	70,000	70,000	127,816	57,816	106,807
Grants and other revenue	-	-	140,341	140,341	150,091
Total Revenues	8,643,110	8,643,110	9,486,887	843,777	9,585,245
Expenditures/expenses:					
Fire protection:					
Fire protection - Operations	6,834,051	6,834,051	6,284,483	549,568	6,317,979
Ambulance transport services	2,364,506	2,364,506	1,858,665	505,841	1,652,064
Capital outlay	246,396	246,396	194,430	51,966	753,524
Depreciation	-	-	-	-	-
Total Expenditures/expenses	9,444,953	9,444,953	8,337,578	1,107,375	8,723,567
Excess (deficiency) of revenues over expenditures	(801,843)	(801,843)	1,149,309	1,951,152	861,678
Other financing sources/uses:					
Transfers-internal activities	-	-	-	-	-
Total other sources (uses):	-	-	-	-	-
Excess (deficiency) of revenues and and other financing sources over expenditures	(801,843)	(801,843)	1,149,309	1,951,152	861,678
Fund balance/Net Position, beginning of year	8,705,196	8,705,196	8,705,196	-	7,843,518
Fund balance/Net Position, end of year	\$ 7,903,353	\$ 7,903,353	\$ 9,854,505	\$ 1,951,152	\$ 8,705,196

See independent auditors' report.
The accompanying notes are an integral
part of the financial statements.

LOUISVILLE FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's percentage of the total net pension liability	.5715545785%	0.00468717431%	0.56339957000%	0.46871743100%	0.38465148500%	0.37236129200%	0.36850000000%	0.32701896200%	0.34719161700%	0.28180000000%
District's proportionate share of the net pension liability	\$ 4,195,445	\$ 5,788,567	(\$ 483,042)	\$ 2,442,613	\$ 2,813,306	\$ 4,684,769	\$ 4,103,458	\$ 4,415,871	\$ 3,824,597	\$ 2,526,013
District's covered payroll	\$ 5,349,879	\$5,424,961	\$4,703,998	\$3,074,290	\$2,648,896	\$2,442,295	\$2,324,921	\$1,982,144	\$1,971,779	\$1,544,270
District's proportionate share of the net pension liability as a percentage of its covered payroll	78.42%	107%	10%	79%	106%	192%	176%	223%	194%	164%
Plan fiduciary net position as a percentage of the total pension liability	88.03	-40%	827.91%	77.49%	84.82%	72.92%	79.37%	73.65%	76.87%	80.72%
District's Required Contribution	689,916	\$687,885	\$596,467	\$389,820	\$335,880	\$309,683	\$294,800	\$251,336	\$250,022	\$195,813

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During September of each year, the Board of Directors for the District meets to prepare a proposed budget for the forthcoming year. At this meeting, requests from interested parties are heard and considered in the preparation of the budget. A notice as to the proposed budget is then published in a local newspaper, in order that interested citizens can voice their concerns about the proposed budget. In this notice, concerned citizens are requested to attend a Board of Directors meeting, usually held in October, at which time the proposed budget is considered by the Board.

After hearing any comments from concerned citizens, and after making any amendments to the proposed budget that may be forthcoming, the budget is approved by the entire Board of Directors and the mill levy request is certified to the County Treasurer.

At the same meeting that the budget is adopted, or at a meeting later in the year but prior to December 31, the necessary resolutions to adopt the budget, appropriate sums of money for the operation of the district, and to adopt the mill levy certification, are made by the Board.

The budget is used by the Board of Directors during the District's year to control expenditures and as a management device for assessment of how the district is meeting its obligations on a month-to-month basis. The Board of Directors is authorized to transfer budgeted amounts between accounts within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the entire Board of Directors and formalized by a resolution prior to the close of the budget year. The final amended budget is used in this report.

NOTE B - PROPERTY ACQUISITIONS AND IMPROVEMENTS

The 2023 budget included monies set aside for the purchase of new emergency response and firefighting equipment.

See independent auditors' report.

LOUISVILLE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2023

ANALYSIS OF FUNDING PROGRESS

Actuarial Report January 1,	Actuarial Value of Assets	(AAL) Actuarial Accrued Liability	Excess (Shortfall) of Assets Overall	Funded Ratio	Annual Covered Payroll
2018	2,679,596	7,553,327	(4,873,731)	35%	N/A
2019	2,634,363	7,349,710	(4,715,347)	36%	N/A
2020	2,729,893	6,717,349	(3,987,456)	41%	N/A
2022	2,709,019	6,714,649	(4,005,630)	40%	N/A
2024	2,713,987	7,372,873	(4,658,886)	37%	N/A

REVENUES BY SOURCE

<u>Year</u>	<u>Property Taxes</u>	<u>State Contributions</u>	<u>Investment Income</u>	<u>Total</u>
2018	238,328	167,363	13,576	419,267
2019	238,328	167,363	145,281	550,972
2020	238,328	167,363	101,692	507,383
2022	238,328	167,363	(610,019)	(204,328)
2023	238,328	167,363	159,946	565,637

EXPENSES BY TYPE

<u>Year</u>	<u>Pension Benefits</u>	<u>Other Plan Expenses</u>	<u>Total Plan Expenses</u>
2018	464,500	40,049	504,549
2019	455,442	40,049	495,491
2020	442,510	11,121	453,631
2022	464,094	5,500	469,594
2023	525,578	2,019	527,597

See independent auditors' report.

OTHER SUPPLEMENTARY INFORMATION

**LOUISVILLE FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - PENSION TRUST FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023**

	PENSION FUND - 2023				Actual 2022 Memorandum only
	Budget		Actual	Variance- favorable (unfavorable)	
	Original	Final			
Additions:					
Property tax revenue	\$ 238,328	\$ 238,328	\$ 238,328	\$ -	\$ 238,328
Contributions from the State of Colorado	167,363	167,363	167,363	-	167,363
Earnings on investments	25,000	25,000	96,041	71,041	66,585
Gain (loss) on sale of investments	-	-	(8,624)	(8,624)	(73,436)
Totals	<u>430,691</u>	<u>430,691</u>	<u>493,108</u>	<u>62,417</u>	<u>398,840</u>
Deductions:					
Benefits paid to retirees	472,600	472,600	525,578	(52,978)	464,094
Administration of fund	4,500	4,500	2,019	2,481	5,500
Totals	<u>477,100</u>	<u>477,100</u>	<u>527,597</u>	<u>(50,497)</u>	<u>469,594</u>
Other Additions (Deductions):					
Unrealized gain (loss) on investments	-	-	72,529	72,529	(603,168)
Changes in plan net position	(46,409)	(46,409)	38,040	84,449	(673,922)
Net position, beginning of year	<u>2,013,364</u>	<u>2,013,364</u>	<u>2,013,364</u>	<u>-</u>	<u>2,687,286</u>
Net position, end of year	<u>\$ 1,966,955</u>	<u>\$ 1,966,955</u>	<u>\$ 2,051,404</u>	<u>\$ 84,449</u>	<u>\$ 2,013,364</u>

See independent auditors' report.
The accompanying notes are an integral
part of the financial statements.