



TALLAHASSEE FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

AND

REQUIRED SUPPLEMENTARY INFORMATION

WITH

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023

ERICKSON, BROWN & KLOSTER LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tallahassee Fire Protection District
Colorado Springs, Colorado

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT – CONTINUED

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITORS' REPORT – CONTINUED

PAGE 3

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund 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.

Erickson, Brown & Kloster, LLC

Colorado Springs, Colorado
August 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The management of the Tallahassee Fire Protection District (District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements presented are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the financial statements.

This report also contains other supplementary information in addition to the financial statements.

Government-Wide Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$641,596 which represents the ending net position.
- The net position decreased by \$16,121 from the prior year. Approximately 30% of the net position, \$186,672, is available for spending at the District's discretion, as reflected in unrestricted net position.
- The district saw a significant increase in wildland firefighting revenue after bringing on a new engine boss, increasing by \$256,973 from the prior year.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances as a whole, in a manner similar to a private-sector business. The governmental activity of the District is primarily providing wildland fire protection, rescue, and emergency medical response within their district and in partnership with the Fremont County Sheriff, Bureau of Land Management, Colorado State Forest Service, and other firefighting agencies.

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

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 11 and 12 of this report.

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

OVERVIEW OF THE FINANCIAL STATEMENTS – Continued

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 has only one fund, the General Fund, which is a governmental fund.

Governmental Funds - Governmental funds are used to account for essentially the same function 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 expendable resources, as well as on balances of expendable 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 government's near-term financing decisions. A reconciliation of the fund balance as reported in the governmental funds to the change in net position as reported in the government-wide statement of net position has been provided to facilitate the comparison between governmental funds and governmental activities.

The governmental fund financial statements are presented on pages 13 through 16 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 24 of this report.

Required Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District. The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided to allow for a direct comparison to each budget line item and to demonstrate compliance with the budget.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position - Two-Year Comparison

	2023	2022	Increase
	(Audited)	(Unaudited)	(Decrease)
Assets			
Cash and Cash Equivalents	\$ 232,687	\$ 170,593	\$ 62,094
Cash Held by County Treasurer	2,977	2,977	-
Accounts Receivable	43,597	60,103	(16,506)
Property Tax Receivable	240,030	214,110	25,920
Capital Assets, Net of Depreciation	518,111	582,821	(64,710)
Total Assets	<u>\$ 1,037,402</u>	<u>\$ 1,030,604</u>	<u>\$ 6,798</u>
Liabilities			
Accounts Payable & Accrued Expenses	\$ 68,556	\$ 51,892	\$ 16,664
Lease Payable - Due Within One Year	20,486	19,665	821
Lease Payable - Due in More Than One Year	66,734	87,220	(20,486)
Total Liabilities	<u>\$ 155,776</u>	<u>\$ 158,777</u>	<u>\$ (3,001)</u>
Deferred Inflows of Resources			
Unearned Tax Revenue	<u>\$ 240,030</u>	<u>\$ 214,110</u>	<u>\$ 25,920</u>
Net Position			
Net Investment in Capital Assets	\$ 430,891	\$ 475,936	\$ (45,045)
Restricted	24,033	17,741	6,292
Unrestricted	186,672	164,040	22,632
Total Net Position	<u>\$ 641,596</u>	<u>\$ 657,717</u>	<u>\$ (16,121)</u>

Current Assets

Current assets increased due to cash and cash equivalents increasing.

Capital Assets (Net of Depreciation)

Capital assets (net of depreciation) decreased due to accumulated depreciation as the district did not purchase or dispose of any assets over the year.

Liabilities

Liabilities decreased due to a reduction in lease payables.

Deferred Inflows of Resources

Unearned Tax Revenue increased due to an increase in property tax receivable from Fremont County.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Activities

The statement of activities reflects the cost of operations and the charges for services and receipt of grants offsetting those services. The following detail reflects the total cost of services supported by operating revenues and property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal year 2023. The following is a condensed comparative summary of the District's revenues and expenses for the years ended December 31:

	2023	2022	Increase
	(Audited)	(Unaudited)	(Decrease)
General Revenues			
General Property Tax	\$ 206,185	\$ 209,743	\$ (3,558)
Specific Ownership Tax	27,942	28,245	(303)
Grants, Donations, and Other	13,884	69,493	(55,609)
Investment Earnings	90	46	44
Gain on Insurance Proceeds	4,440	-	4,440
Gain on Sale of Capital Assets	-	19,560	(19,560)
Wildland Firefighting	580,193	323,220	256,973
Total General Revenues	<u>832,734</u>	<u>650,307</u>	<u>182,427</u>
Functions/Programs			
Governmental Activities			
Administrative			
Salaries and Benefits	75,030	44,777	30,253
Professional Fees	13,380	23,454	(10,074)
Office Expenses, Insurance, Misc	11,901	31,981	(20,080)
Fire Fighting and Training			
Salaries and Benefits	338,582	199,694	138,888
Fuel, Communications, Training	59,237	38,304	20,933
Fire Fighting and Medical Supplies	164,702	63,777	100,925
Repairs and Maintenance	64,154	47,011	17,143
Fire Stations and Buildings			
Maintainence, Utilities, Interest	26,713	18,273	8,440
Other	27,731	14,883	12,848
Depreciation	67,425	60,903	6,522
Total Governmental Activities	<u>848,855</u>	<u>543,057</u>	<u>305,798</u>
Change in Net Position	(16,121)	107,250	(123,371)
Net Position - Beginning	<u>443,217</u>	<u>550,467</u>	<u>(107,250)</u>
Net Position - Ending	<u>\$ 427,096</u>	<u>\$ 443,217</u>	<u>\$ (16,121)</u>

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Expenses

Expenses increased due to additional wildland firefighting costs.

Revenue

Revenues increased as the district conducted additional wildland firefighting operations.

Financial Analysis

In 2023, our property tax revenues decreased slightly from the prior year due to a decrease in property values and wildland firefighting deployment reimbursements increased due to being able to conduct additional wildland fire deployments with a new engine boss on staff. In 2024, property tax values have been assessed to increase.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. At the end of the current fiscal year, the District's governmental funds reported an ending fund balance of \$210,705 in the general fund. Restricted fund balance of \$24,033 is not available for new spending because it has been restricted by TABOR.

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2023, amounted to \$430,891 (net accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and vehicles. Additional information can be found in Note 3 to the financial statements.

BUDGET ANALYSIS

The District continues to use best practices in managing the finances and assets of the District. The district continues to seek opportunities to enhance the revenue stream through pursuing grants and donations along with additional wildland fire deployments. These opportunities continue to enhance the district's capabilities and service delivery. In 2023, the general fund realized gross revenues of \$832,734.

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

BUDGET ANALYSIS - Continued

A condensed schedule of the general fund budget depicting original budgeted amounts and final amended is as follows:

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
Revenues				
Tax Revenue	\$ 228,982	\$ 248,982	\$ 234,127	\$ (14,855)
Grants, Donations, and Other	106,394	150,247	18,324	(131,923)
Investment Earnings	-	-	90	90
Charges for Services	7,500	588,500	580,193	(8,307)
Total Revenues	<u>342,876</u>	<u>987,729</u>	<u>832,734</u>	<u>(154,995)</u>
Expenditures				
Administrative	98,085	108,085	100,311	(7,774)
Operations	171,215	221,215	291,299	70,084
TABOR Transfer	8,079	24,712	-	(24,712)
Capital Outlay	-	18,000	-	(18,000)
Debt Service	-	-	24,126	24,126
Deployment Expense	-	476,444	385,359	(91,085)
Total Expenditures	<u>277,379</u>	<u>848,456</u>	<u>801,095</u>	<u>(47,361)</u>
Net Change in Fund Balance	65,497	139,273	31,639	(90,292)
Beginning Fund Balance, January 1	<u>83,167</u>	<u>83,167</u>	<u>179,066</u>	<u>95,899</u>
Ending Fund Balance, December 31	<u>\$ 148,664</u>	<u>\$ 222,440</u>	<u>\$ 210,705</u>	<u>\$ (11,735)</u>

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Economic Factors, Trends and Future Plans

In the General Fund, 2023 tax revenue decreased slightly due to a decrease in assessed property value of the District. For the 2024 assessment, there have been increases in residential assessed values and new homes increased by 12%. These trends are expected to continue in the future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Tallahassee Fire Protection District, PO Box 510, Canon City, CO 81215-0510.

FINANCIAL STATEMENTS

TALLAHASSEE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 232,687
Cash Held by County Treasurer	2,977
Accounts Receivable	43,597
Property Tax Receivable	240,030
Capital Assets, Net of Depreciation	518,111
Total Assets	\$ 1,037,402
Liabilities	
Accounts Payable & Accrued Expenses	\$ 68,556
Lease Payable - Due Within One Year	20,486
Lease Payable - Due in More Than One Year	66,734
Total Liabilities	\$ 155,776
Deferred Inflows of Resources	
Unearned Tax Revenue	\$ 240,030
Total Deferred Inflows of Resources	\$ 240,030
Net Position	
Net Investment in Capital Assets	\$ 430,891
Restricted	24,033
Unrestricted	186,672
Total Net Position	\$ 641,596

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

Functions/Programs	Expenses	Program Revenues		Net Program Expense
		Charges for Services	Operating Grants and Contributions	
Administration				
Salaries and Benefits	\$ 75,030	\$ -	\$ -	\$ 75,030
Professional Fees	13,380	-	-	13,380
Office Expenses	7,463	-	-	7,463
Miscellaneous	4,438	-	-	4,438
Total Administration	<u>100,311</u>	<u>-</u>	<u>-</u>	<u>100,311</u>
Firefighting and Training				
Salaries and Benefits	338,582	580,193	-	(241,611)
Vehicle Fuel	25,352	-	-	25,352
Training	14,457	-	-	14,457
Communication Equipment	19,428	-	-	19,428
Firefighting and Medical Supplies	164,702	-	-	164,702
Repairs and Maintenance	64,154	-	-	64,154
Total Fire Fighting and Training	<u>626,675</u>	<u>580,193</u>	<u>-</u>	<u>46,482</u>
Fire Stations and Buildings				
Repairs and Maintenance	10,285	-	-	10,285
Utilities	11,967	-	-	11,967
Interest	4,461	-	-	4,461
Other	27,731	-	-	27,731
Depreciation	67,425	-	-	67,425
Total Fire Stations and Buildings	<u>121,869</u>	<u>-</u>	<u>-</u>	<u>121,869</u>
Total Governmental Activities	<u>\$ 848,855</u>	<u>\$ 580,193</u>	<u>\$ -</u>	<u>268,662</u>
General revenues				
General Property Tax				206,185
Specific Ownership Tax				27,942
Grants, Donations, and Other				13,884
Investment Earnings				90
Gain on Insurance Proceeds				4,440
Total General Revenues				<u>252,541</u>
Change in Net Position				(16,121)
Net Position - Beginning				<u>657,717</u>
Net Position - Ending				<u>\$ 641,596</u>

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

ASSETS

Assets

Cash and Cash Equivalents	\$ 232,687
Cash Held by County Treasurer	2,977
Accounts Receivable	43,597
Property Tax Receivable	240,030
Total Assets	<u><u>\$ 519,291</u></u>

LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE

Liabilities

Accounts Payable	\$ 68,556
Total Liabilities	<u>68,556</u>

Deferred Inflow of Resources

Unearned Tax Revenue	240,030
Total Deferred Inflow of Resources	<u>240,030</u>

Fund Balance

Restricted	24,033
Assigned	45,999
Unassigned	140,673
Total Fund Balance	<u>210,705</u>

Total Liabilities, Deferred Inflow of Resources, and Fund Balance	<u><u>\$ 519,291</u></u>
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**TALLAHASSEE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Fund Balance - Governmental Fund	\$	210,705
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Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.

Capital Assets		863,825
Accumulated Depreciation		(345,714)

Leases payable are not due and payable in the current period, and therefore are not reported as liabilities in the funds.

Capital Lease		(87,220)
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Total Net Position - Governmental Activities	\$	641,596
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**TALLAHASSEE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

Revenues

General Property Tax	\$ 206,185
Specific Ownership Tax	27,942
Grants, Donations, and Other	13,884
Investment Earnings	90
Wildland Firefighting	580,193
Total Revenues	<u>828,294</u>

Expenditures

Administration

Salaries and Benefits	75,030
Professional Fees	13,380
Office Expenses	7,463
Miscellaneous	4,438
Debt Service	
Principal	19,665
Interest	4,461
Total Administration	<u>124,437</u>

Firefighting and Training

Salaries and Benefits	338,582
Vehicle Fuel	25,352
Communications Equipment	19,428
Training	14,457
Firefighting and Medical Supplies	164,702
Repairs and Maintenance	64,154
Total Firefighting and Training	<u>626,675</u>

Fire Stations and Buildings

Repairs and Maintenance	10,285
Utilities	11,967
Other	27,731
Total Fire Stations and Buildings	<u>49,983</u>

Total Expenditures	<u>801,095</u>
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Other Financing Sources

Insurance Recovery	4,440
Total Other Financing Sources	<u>4,440</u>

Net Change in Fund Balance	31,639
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Fund Balance - Beginning	<u>179,066</u>
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Fund Balance - Ending	<u><u>\$ 210,705</u></u>
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**TALLAHASSEE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Total Net Change in Fund Balance - Governmental Funds	\$	31,639
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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. This is the amount by which depreciation exceeded capital outlays.

Depreciation Expense		(67,425)
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The issuance of long-term debt, including capital leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. The detail of capital lease activity follows

Principal payment on lease		19,665
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Change in Net Position - Governmental Activities	\$	(16,121)
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NOTES TO FINANCIAL STATEMENTS

TALLAHASSEE FIRE PROTECTION DISTRICT NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity - The District is a quasi-municipal corporation, governed pursuant to provisions of the Colorado Special District Act. The District was established to provide wildland fire protection, rescue, and emergency medical response on a volunteer basis within their District. The district works in partnership with the Fremont County Sheriff's Office, Bureau of Land Management, Colorado State Forest Service, and other firefighting agencies.

The District follows U.S. generally accepted accounting principles, including Governmental Accounting Standards Board accounting pronouncements that provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity.

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

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial information of the primary government. The statement of net position presents the financial condition of the governmental activities at year-end. The statement of activities presents a comparison between direct expenses and the program revenues for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program, or department, and therefore, are clearly identifiable to a particular function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balances, revenues and expenditures-expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

**TALLAHASSEE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The District reports the following major fund:

Governmental Fund

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. 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 are generally recorded when a liability is incurred, as under accrual accounting.

This reporting approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

General Budget - In accordance with the State Budget Law, the District's Board of Directors holds a public hearing in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget line item within the total appropriation without notification.

The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**TALLAHASSEE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by State law for all funds. By October 15, the District Manager submits to the District's Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end. Prior to December 31, the budget is adopted by formal resolution.
- B. Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- C. Expenditures may not legally exceed appropriations at the fund level.
- D. Revisions that alter the total expenditures of any fund must be approved by the District's Board of Directors.
- E. Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District's Board of Directors.

Budget Basis of Accounting - The modified accrual basis of accounting is used for budget purposes as well as financial reporting in the general fund, except for capital lease refinancing. If the refinance does not generate or use cash proceeds, the refinance is not budgeted.

Cash and Cash Equivalents - Cash and invested cash are carried at fair value. The District considers all highly liquid investments, including restricted assets, with a maturity of three months or less to be considered cash equivalents.

Accounts Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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

Capital Assets - Capital assets are reported in the government-wide statements only. All capital assets are capitalized at cost (or estimated historical cost). Donated capital assets are recorded at their fair market values as of the dates received.

The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized and the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. All reported capital assets are depreciated, except for land and construction in progress.

**TALLAHASSEE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include: 1) timing requirements, which specify the year when the resource is required to be used, or the fiscal year when use is first permitted, 2) matching requirements, in which the District must provide local resources to be used for a specific purpose, and 3) expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Property Taxes - Property taxes are reported as a receivable and a deferred inflow of resources when the levy is certified and as revenue when due for collection in the subsequent year. Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the Fremont County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of December 31 of each year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The deferred inflow of resources is recorded as revenue in the year it is available or collected.

Expenses/Expenditures – On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

**TALLAHASSEE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Position Classifications

Net position classification in the government-wide financial statements are as follows:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted Net Position - Consists of net position with constraints placed on the use either by external groups, such as creditors, or laws or regulations of other governments.

Unrestricted Net Position - Includes all other assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Balances - The governmental fund reports fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balance descriptions are presented below:

Nonspendable - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories, prepaid items, and long-term fund advances.

Restricted - includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.

Committed - includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the District's Board of Directors. Commitments may be modified or changed only by the District's Board of Directors approving a new resolution. Commitments also include contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by the District's Board of Directors to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.

Unassigned - this is the residual classification for the general fund.

As of December 31, 2023, the District had restricted, assigned, and unassigned fund balances.

**TALLAHASSEE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned, and unassigned.

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.

NOTE 1 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. At December 31, 2023, the District's cash deposits had a book balance of \$232,687, and a corresponding bank balance of \$233,792. The difference between the book and bank balances is due to outstanding checks and deposits not yet processed by the banks. All of the bank balance was covered by federal depository insurance. The remainder of the bank balance was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2023, the District had no cash deposits exposed to custodial credit risk.

NOTE 2 – ACCOUNTS AND PROPERTY TAX RECEIVABLE

Accounts receivable consists of billings to the state and federal government for wildland firefighting services and property taxes. Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability.

No allowance for uncollectible property taxes has been provided because the County Treasurer is empowered to file liens on properties where delinquencies exist. Accordingly, the District believes any delinquencies will eventually be paid.

**TALLAHASSEE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2023:

	Balance			Balance
	January 1,	Additions	Dispositions	December 31,
Medical Equipment	\$ 61,577	\$ -	\$ -	\$ 61,577
Vehicles	543,425	-	-	543,425
Building Improvements	62,306	-	-	62,306
Building	177,502	-	-	177,502
Other	19,015	-	-	19,015
Total	<u>863,825</u>	<u>-</u>	<u>-</u>	<u>863,825</u>
Less Accumulated Depreciation:				
Total	<u>(278,289)</u>	<u>(67,425)</u>	<u>-</u>	<u>(345,714)</u>
Capital Assets, Net	<u>\$ 585,536</u>	<u>\$ (67,425)</u>	<u>-</u>	<u>\$ 518,111</u>

Depreciation expense for the year ended December 31, 2023 was \$67,425.

NOTE 4 – NET POSITION AND FUND BALANCES

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, otherwise known as the Taxpayer Bill of Rights (TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. Fund balance in the General Fund in the amount of \$24,033 at December 31, 2023, is restricted in accordance with TABOR.

NOTE 5 – RISK OF LOSS

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. The District retains no risk of loss. There have been no settled claims resulting from these risks that have exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the attached independent auditors' report, the date which the financial statements were available to be released. In 2024, the District has submitted claims for reimbursement for wildland fire deployments in the amount of \$188,414.

REQUIRED SUPPLEMENTARY INFORMATION

**TALLAHASSEE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE,
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
Revenues				
Tax Revenue	\$ 228,982	\$ 248,982	\$ 234,127	\$ (14,855)
Grants, Donations, and Other	106,394	150,247	18,324	(131,923)
Investment Earnings	-	-	90	90
Charges for Services	7,500	588,500	580,193	(8,307)
Total Revenues	<u>342,876</u>	<u>987,729</u>	<u>832,734</u>	<u>(154,995)</u>
Expenditures				
Administrative	98,085	108,085	100,311	7,774
Operations	171,215	221,215	291,299	(70,084)
TABOR Transfer	8,079	24,712	-	24,712
Capital Outlay	-	18,000	-	18,000
Debt Service	-	-	24,126	(24,126)
Deployment Expense	-	476,444	385,359	91,085
Total Expenditures	<u>277,379</u>	<u>848,456</u>	<u>801,095</u>	<u>47,361</u>
Income - Budget Basis	<u>\$ 65,497</u>	<u>\$ 139,273</u>	31,639	<u>\$ (107,634)</u>
To Reconcile Net Income to GAAP Basis				
Debt Service Principal			19,665	
Depreciation			(67,425)	
Change in Net Position			<u>(16,121)</u>	

See notes to required supplementary information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**TALLAHASSEE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

BUDGETARY INFORMATION

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

The proposed budget is submitted to the Board of Directors for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. The District adopts budgets for all funds. The general fund uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets.

Expenditure estimates in the annual budget are enacted into law by the passage of appropriation resolutions. Budgetary control exists at the total fund level and encumbrance accounting is not employed as a part of the budgetary process.