
GRAND JUNCTION RURAL
FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grand Junction Rural Fire Protection District
Grand Junction, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Junction Rural Fire Protection District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Grand Junction Rural Fire Protection 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, each major fund, and the aggregate remaining fund information of Grand Junction Rural Fire Protection District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Grand Junction Rural Fire Protection District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Grand Junction Rural Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 Grand Junction Rural Fire Protection District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grand Junction Rural Fire Protection District’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis page 3 through 6 and budgetary comparison information page 19 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of revenues and expenditures by Districts. 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.

Blair and Associates, P.C.

Cedaredge, Colorado
May 8, 2024

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Management Discussion and Analysis
For the Year Ended December 31, 2023

As the financial management of the Grand Junction Rural Fire Protection District (“District”), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the District for the years ended December 31, 2022, and 2023. This discussion and analysis is designed to assist the reader in focusing on significant accomplishments, financial issues and activities, and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

The Grand Junction Rural Fire Protection District incurred excess revenues over expenditures of \$ 18,831 in 2023. In 2022, excess expenditures over revenues were \$ 7,224. The term “net position” refers to the difference between assets over deferred inflow of resources and liabilities. At the close of 2023, the District had a net position of \$109,914, an increase of 21% from fiscal year 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s financial statements, which is comprised of the basic financial statements, the notes to the financial statements, and supplementary information presented. In addition to the basic financial statements, this report also contains other supplementary information pertaining to the District’s budget.

Combined Government-Wide Fund Financial Statements

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the entire District’s finances, in a manner similar to a private-sector business.

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

The ***statement of activities*** presents information showing how the government’s net position changed during the past 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 the 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.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and other revenues. The District’s main function is to provide fire protection and emergency medical services to the citizens within its area. The District’s provision of fire protection services and emergency medical services is accomplished indirectly by contract with the City of Grand Junction.

The government-wide financial statements are combined with the fund financial statements.

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 one fund, the general fund.

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

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

The basic governmental fund financial statements are combined with the government-wide financial statements.

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.

Also, this report presents certain supplementary information pertaining to the District's budget for demonstrating legal compliance with budgetary control obligations. This supplementary information can be found on page 18 of this report.

Financial Analysis

Net position, the excess of assets over liabilities and deferred inflows of resources, may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$ 109,914 at the close of the most recent fiscal year. The overall net position increased by \$ 18,831.

District's Net Position at December 31:

<i>Assets</i>	2022	2023
Current and other assets	\$ 2,960,025	\$ 3,415,690
Total assets	<u>\$ 2,960,025</u>	<u>\$ 3,415,690</u>
 <i>Liabilities and deferred inflows of resources</i>		
Current liabilities	\$ 253,347	\$ 247,789
Deferred inflows of resources	<u>2,615,595</u>	<u>3,057,987</u>
Total liabilities and deferred inflows of resources	<u>2,868,942</u>	<u>3,305,776</u>
 <i>Net position</i>		
Restricted for emergencies	84,998	100,740
Unrestricted	<u>6,085</u>	<u>9,174</u>
Total net position	<u>\$ 91,083</u>	<u>\$ 109,914</u>

\$ 100,740 is restricted for declared emergencies as provided in Article X, Section 20 of the Colorado Constitution, known as the Taxpayers' Bill of Rights, or 'TABOR. The District has an unrestricted net position of \$ 9,174.

Statement of Activities - December 31, 2022 and 2023

	2022	2023
General Revenues		
Taxes	\$ 2,936,262	\$ 2,959,313
Interest income/Miscellaneous	<u>8,053</u>	<u>34,378</u>
Total revenues	<u>2,944,315</u>	<u>2,993,691</u>
 Expenses		
Administration	15,436	14,006
Firefighting	2,811,000	2,895,000
Legal and professional	71,222	12,945
Tax collection fees	<u>53,881</u>	<u>52,909</u>
Total expenses	<u>2,951,539</u>	<u>2,974,860</u>
 Change in net position	 (7,224)	 18,831
 Net Position-January 1	 <u>98,307</u>	 <u>91,083</u>
Net Position-December 31	<u>\$ 91,083</u>	<u>\$ 109,914</u>

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Grand Junction Rural Fire Protection District
P. O. Box 2244
Grand Junction, CO 81502

Basic Financial Statements

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
 Combined Government-Wide and Fund Financial Statements
 Governmental Fund Balance Sheet and Statement of Net Position
 December 31, 2023

	General Fund	Adjustments (See Below)	Statement Of Net Position
Assets			
Cash and investments	\$ 332,198	\$ -	\$ 332,198
Due from other government	25,505	-	25,505
Property tax receivable	<u>3,057,987</u>	<u>-</u>	<u>3,057,987</u>
Total assets	<u>3,415,690</u>	<u>-</u>	<u>3,415,690</u>
Liabilities			
Accounts payable	<u>247,789</u>	<u>-</u>	<u>247,789</u>
Total liabilities	<u>247,789</u>	<u>-</u>	<u>247,789</u>
Deferred inflows of resources			
Deferred property taxes	<u>3,057,987</u>	<u>-</u>	<u>3,057,987</u>
Total deferred inflows of resources	<u>3,057,987</u>	<u>-</u>	<u>3,057,987</u>
Fund balance			
Restricted for emergencies	100,740	(100,740)	-
Unassigned	<u>9,174</u>	<u>(9,174)</u>	<u>-</u>
Total fund balances	<u>109,914</u>	<u>(109,914)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,415,690</u>		
Net position:			
Restricted for emergencies		100,740	100,740
Unrestricted		<u>9,174</u>	<u>9,174</u>
Total net position		<u>\$ 109,914</u>	<u>\$ 109,914</u>

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

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2023

Amount reported for governmental activities in the statement of net position
are different because:

Total fund balance-governmental funds	\$ 109,914
Total net position-governmental activities	<u>\$ 109,914</u>

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

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Statement of Revenue, Expenditures and Changes in Fund Balance/Net Position
Governmental Fund and Statement of Activities
For the Year Ended December 31, 2023

	General Fund	Adjustments (See Next Page)	Statement of Activities
Expenditures/Expenses			
General government			
Administration	\$ 26,951	\$ -	\$ 26,951
Tax collection fees	52,909	-	52,909
Emergency services	2,895,000	-	2,895,000
Total expenditures/expenses	<u>2,974,860</u>	<u>-</u>	<u>2,974,860</u>
General Revenues			
Property taxes	2,620,145	-	2,620,145
Specific ownership taxes	339,168	-	339,168
Miscellaneous	103	-	103
Interest income	34,275	-	34,275
Total general revenue	<u>2,993,691</u>	<u>-</u>	<u>2,993,691</u>
Excess of revenues over expenditures	18,831	-	18,831
Fund balances/Net position:			
Beginning of the year	91,083	-	91,083
End of the year	<u>\$ 109,914</u>	<u>\$ -</u>	<u>\$ 109,914</u>

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

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenue, Expenditures and Changes in the
Fund Balance
Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2023

A reconciliation reflecting the differences between the general fund excess of revenues over expenditures and the changes in net position reported for governmental activities in the statement of activities is as follows:

Excess of revenues over expenditures - general fund	\$ 18,831
Change in net position - General Fund	<u>\$ 18,831</u>

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

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2023

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of the Grand Junction Rural Fire Protection District (the District), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant principles:

Financial Reporting Entity

The District is a political subdivision of the State of Colorado, established in 1944 for the purpose of furnishing fire protection services to portions of Mesa County, Colorado. The District has a five-member board of directors. For reporting purposes, the district is a governmental stand-alone entity, with no component units.

In May 2022, the former Redlands Sub-District's was dissolved as authorized by the voters with an effective date of December 30, 2022. The Order of the Mesa County District Court dissolving the Sub-District was recorded in the records of the Mesa County Clerk and Recorder on December 30, 2022, and, by statue, became effective as of such date. Pursuant to the District Court Order dissolving the Sub-District, the Board of Directors will continue to serve as the Sub-District Board for the limited purpose of winding up the financial affairs of the Sub-District, after which time the Sub-District Board will not continue in office.

Government-Wide and Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

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.

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2023

Note 1 - Summary of Significant Accounting Policies – continued

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The major source of revenue susceptible to accrual is property tax. All other revenue items are considered to be measurable and available only when cash is received by the district.

Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

Governmental Funds

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

Fund Equity

This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

The District's considers all unreserved fund balances to be reserves for future operations or capital replacement.

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2023

Note 1 - Summary of Significant Accounting Policies – continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

Fund Equity

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. A portion of the General Fund equity and net position has been reserved/restricted in compliance with this requirement.

Use of Estimates

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

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources, such as revenue, until that time.

Net Position

Net position represents the difference between assets and liabilities and deferred inflows of resources. Balances are reported as restricted when there are limitations imposed on their use by external restrictions imposed by creditors, grantors, laws, or regulations of other governments. 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.

Subsequent Events

Management has reviewed subsequent events through the date of the audit report.

Budgetary Information

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

The budget includes each fund on its basis of accounting unless otherwise indicated.

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2023

Note 1 - Summary of Significant Accounting Policies – continued

Fair Value Measurement

The District adopted GASB Statement No. 72, Fair Value Measurement and Application, which generally requires state and local governments to measure assets and liabilities at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques.

This standard expands fair value disclosure to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The District's investments consist of external investment pool (CSAFE) which is stated at amortized costs.

Note 2 - Deposits and Investments

Deposits – The Colorado Public Deposit Protection Act (PDPA) governs the District's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

At year-end the carrying value of the District's deposits was \$ 21,814 and bank balance was \$ 21,814. All of the bank balances were covered by FDIC insurance.

Investments

The District had invested \$ 310,384 in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established for local government entities in Colorado to pool surplus funds. CSAFE operates similarly to money market funds and each share is equal in value to \$1.00. Investments of CSAFE consist of U. S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. Separately issued financial statements may be obtained at the following address: CSAFE, 1675 Broadway, Suite 500, Denver, Co 80202, www.csafe.org

Substantially all securities owned by CSAFE are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by CSAFE. These pools are not required to and are not registered with the secretary of the investment pool. CSAFE Funds are rated AAAM by Standard and Poors.

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2023

Note 2 - Deposits and Investments – continued

Investments

The District investments are categorized under Category 1 which is insured or registered or for which the securities are held by the District's agent in the District's name.

Credit Risk

Credit risk is the risk that the insurer or other counterparty to an investment will not fulfill its obligations. It is the District's policy to limit its investments to governmental investment pools.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District does not have a formal policy limiting investment maturities, other than that established by the state statute of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Note 3 - Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy must be made by December 15 by certification to the County Commissioners. 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 taxpayers' election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Revenue Stabilization - In 1982, Colorado's voters passed an amendment to Article X, section 3(1)(b) of the Colorado Constitution, which commonly was referred to as the "Gallagher Amendment". The purpose of the Gallagher Amendment was to permanently establish a ratio between total statewide assessed values of residential property ("RAR") and all other types of property, which are collectively referred to as "non-residential". As originally conceived, the Gallagher Amendment required the Colorado General Assembly to adjust the RAR up or down, as necessary, in order to maintain the Gallagher ratio, while the nonresidential assessment rate remained fixed. However, due to TABOR's requirement of holding a statewide election in order to increase the RAR, following the passage of TABOR, the Gallagher Amendment functionally resulted in only downward adjustments to the RAR over time, resulting in significant and unpredictable revenue loss to the District.

In November 2020, the District's voters approved a ballot issue authorizing the District to stabilize its revenue by adjusting its mill levy as necessary to maintain the property tax revenue it would have otherwise lost as a result of changes in the method of calculating assessed valuations, including but not limited to, changes in the RAR due to operation of the Gallagher Amendment, so that, to the extent possible, the actual tax revenues generated by the District's mill levy are the same as the actual tax revenues that would have been received if the method of calculating assessed valuations had not been changed. The operative provisions of the Gallagher Amendment were repealed by the voters of the State of Colorado in 2020; however, the District's revenue stabilization authorization is intended to apply to all other applicable changes in the method of calculating assessed valuations.

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2023

Note 3 - Property Taxes – continued

In May 2022, the District and Sub-District each placed a ballot issue before its respective voters. The District sought voter approval to increase its mill levy by 2.049 mills throughout the entire District jurisdictional area, while the Sub-District sought voter approval to dissolve the Sub-District effective December 30, 2022 and cease collecting its 4.904 mills. Both ballot issues were approved at the May 2022 election, the result of which is to establish a single, common jurisdictional District boundary and uniform taxation throughout the District. Commencing in property tax levy year 2022 (for collection in 2023), the District will assess a total mill levy of 9.645 mills, and the Sub-District will not collect a mill levy. This represented a total mill levy increase of 2.049 mills to those property owners who previously resided solely within the District's jurisdictional boundary, but a total mill levy decrease of 2.855 mills to those property owners who previously resided within both the District and Sub-District's jurisdictional boundaries.

Note 4 - Contingent Liabilities

Risk management

The District is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases general liability and property insurance through commercial insurers. There have been no significant reductions in insurance coverage in the prior year and no settlement exceeding insurance coverage for each of the past three years.

Note 5 - Tax, Spending and Debt Limitations

In November 1992, Colorado voters passed an amendment (Article X, Section 20) to the State Constitution, which is also known as the Taxpayers' Bill of Rights, or "TABOR. TABOR limits the revenue raising and spending abilities of the state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances).

In general, the amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained under specified election requirements. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required in 1994 and thereafter.

On November 1999, the electors of the District exempted the District from TABOR's revenue and spending limits, and the annual revenue limits imposed by Section 29-1-301 of the Colorado Revised Statutes.

The District's management believes it is in compliance with the provisions of TABOR; however, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2023

Note 6 – Economic Dependency

The District contracts with the City of Grand Junction, Colorado to provide fire protection and emergency medical services to the area covered by the District. The District submits payments to the city twice a year as directed in the contract. The District is dependent on this contract to carry out its primary functions to taxpayers. This contract represents 95% of the District's expenditures in 2023. The terms of the contract were revised in December 2020. The contract continues indefinitely until terminated in accordance with its terms.

Note 7 – Contract with the City of Grand Junction

The District has a contract for emergency services with the City of Grand Junction, Colorado. Under the terms of the agreement the District can retain up to \$25,000 of total revenues received each year to cover its administrative expenses. The contract also allows the District to maintain the emergency reserve by TABOR. The amount of the District's retained funds may be increased upon a mutual written agreement with the City.

Note 8 – Subsequent events

Management has evaluated subsequent events through May 8, 2024, which is the date the financial statements were available to be issued. The District did identify the following subsequent events that need to be disclosed.

- Due to the dissolution of the Redlands Sub-District in 2022, the Redlands Subdistrict will no longer collect property and other taxes. In 2023, the District did collect for the Redlands Subdistrict \$7 in property taxes and specific ownership taxes of \$4,189 for amounts owed before the dissolution of Redlands Subdistrict.

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2023

Revenues	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Taxes				
General property taxes	\$ 2,613,777	\$ 2,726,777	\$ 2,620,145	\$ (106,632)
Specific ownership taxes	263,000	263,000	339,168	76,168
Total taxes	<u>2,876,777</u>	<u>2,989,777</u>	<u>2,959,313</u>	<u>(30,464)</u>
Miscellaneous				
Interest income	10,000	10,000	34,275	24,275
Other	100	100	103	3
Total revenues	<u>2,886,877</u>	<u>2,999,877</u>	<u>2,993,691</u>	<u>(6,186)</u>
Expenditures				
Administration:	18,250	18,250	26,951	(8,701)
Firefighting	2,815,000	2,928,000	2,895,000	33,000
Tax collection fees	55,000	55,000	52,909	2,091
Total expenditures	<u>2,888,250</u>	<u>3,001,250</u>	<u>2,974,860</u>	<u>26,390</u>
Excess revenues over (under) expenditures	(1,373)	(1,373)	18,831	20,204
Fund Balance-Beginning of year	<u>7,625</u>	<u>7,625</u>	<u>91,083</u>	<u>98,708</u>
Fund Balance-Ending of year	<u>\$ 6,252</u>	<u>\$ 6,252</u>	<u>\$ 109,914</u>	<u>\$ 118,912</u>

GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
Schedule of Revenues and Expenditures by Districts
For the Year Ended December 31, 2023

	General District	Redlands Sub-District	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes			
General property taxes	\$ 2,620,138	\$ 7	\$ 2,620,145
Specific ownership taxes	334,979	4,189	339,168
Total taxes	<u>2,955,117</u>	<u>4,196</u>	<u>2,959,313</u>
Miscellaneous			
Interest income	34,275	-	34,275
Other	103	-	103
Total revenues	<u>2,989,495</u>	<u>4,196</u>	<u>2,993,691</u>
Expenditures			
Administration:	26,951	-	26,951
Firefighting	2,895,000	-	2,895,000
Tax collection fees	52,909	-	52,909
Total expenditures	<u>2,974,860</u>	<u>-</u>	<u>2,974,860</u>
Excess revenues over (under) expenditures	<u>\$ 14,635</u>	<u>\$ 4,196</u>	<u>\$ 18,831</u>