

PAGOSA FIRE PROTECTION DISTRICT

**Financial Statements
with
Independent Auditors' Report**

**For the Year Ended
December 31, 2024**

Pagosa Fire Protection District

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FINANCIAL SECTION

PAGOSA FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) December 31, 2024

This management's discussion and analysis of the Pagosa Fire Protection District financial performance provides an overall review of the District's financial activities for the year ended December 31, 2024. The intent of this management's discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the District's financial performance.

Financial Highlights

The District offers fire protection services to over 327 square miles within Archuleta County, however the actual response area covers over 1000 square miles to include Wolf Creek Pass and portions of Hinsdale and Mineral Counties. The District's assets exceeded its liabilities at the close of 2024 by \$6,338,468 (*net position*), which is an increase of \$1,970,487 from the prior year. Of this amount, \$2,810,054 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.

The District imposes a mill levy of 8.345 mills upon each dollar of the total valuation for assessment of all taxable property with the District. The property taxes received from this mill levy for the 2024 year was \$4,601,146. The District's net position is used for on-going operations and upcoming capital projects, repairs, maintenance and replacement of existing equipment.

The District had total revenues of \$5,601,965 in 2024 versus \$3,364,655 in 2023, an increase of \$2,237,310.

Using the Basic Financial Statements

The Basic Financial Statements consists of management's discussion and analysis (this section) and a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first statement, The Statement of Net Position, provides long and short-term information about the District's overall financial status.

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

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

PAGOSA FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2024**

Government-Wide Financial Statements

Governmental Type Activities:

The District's governmental-type activity consists of the fire protection district operations. The District's fire protection district operations are supported primarily by property taxes received and charges for services.

Financial Analysis of the District as a Whole

Net position increased in 2024 by \$1,760,457 to \$6,338,468, compared to the decrease in 2023 of \$63,081 to \$4,578,011.

Cash and investments of the District on December 31, 2024, totaled \$7,647,265 and at December 31, 2023 totaled \$1,426,860, not including amounts held for pension benefits, which were \$3,630,958 in 2024 and \$3,471,401 for 2023.

Capital assets, net of accumulated depreciation, of the District on December 31, 2024 totaled \$3,569,444, a net change of \$113,729.

Net position

A summary of the District's net position at December 31, 2024 is as follows:

	Condensed Statement of Net Position	
	2024	2023
Current Assets	\$ 7,647,265	\$ 1,426,860
Non Current Assets		
Capital Assets - Net	<u>3,569,444</u>	<u>3,683,173</u>
Total Assets	<u>11,216,709</u>	<u>5,110,033</u>
Deferred Outflows of Financial Resources	<u>924,161</u>	<u>1,188,290</u>
Current Liabilities	127,107	111,125
Non Current Liabilities	<u>1,384,804</u>	<u>1,265,691</u>
Total Liabilities	<u>1,511,911</u>	<u>1,376,816</u>
Deferred Inflows of Financial Resources	<u>70,973</u>	<u>343,496</u>
Net Position		
Net Investment in Capital Assets	3,569,444	3,683,173
Restricted Net Position	169,000	96,000
Unrestricted Net Position	<u>2,600,024</u>	<u>798,838</u>
Total Net Position	<u>\$ 6,338,468</u>	<u>\$ 4,578,011</u>

PAGOSA FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2024

Condensed Statement of Activities

	Condensed Statement of Activities	
	<u>2024</u>	<u>2023</u>
PROGRAM REVENUES		
Charges for Services	\$ 483,866	\$ 319,358
Operating Grants & Contributions	12,724	255
Capital Grants & Contributions	<u>33,596</u>	<u>-</u>
Total Program Revenues	<u>530,186</u>	<u>319,613</u>
GENERAL REVENUES		
Property Taxes	4,601,146	2,697,919
Other Taxes	347,165	294,144
Investment Earnings	153,564	16,557
Other Revenues	<u>8,150</u>	<u>36,422</u>
Total General Revenues	<u>5,110,025</u>	<u>3,045,042</u>
Total Revenues	<u>5,640,211</u>	<u>3,364,655</u>
PROGRAM EXPENSES		
Public Safety	<u>3,879,754</u>	<u>3,427,736</u>
Change in Net Position	1,760,457	(63,081)
Net Position, Beginning	<u>4,578,011</u>	<u>4,641,092</u>
Net Position, Ending	<u>\$ 6,338,468</u>	<u>\$ 4,578,011</u>

Budget and Actual Comparisons

Actual revenues were less than expenditures by \$63,081 in 2023. Total General Fund budget revenues were less than actual by \$1,070,229 while the actual expenditures were \$862,012 less than budgeted for 2024. The most significant difference between budget and actual expenses was related to personnel costs and training.

PAGOSA FIRE PROTECTION DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2024**

Capital Assets

The total accumulated depreciation for 2024 was \$345,226, with the total net decrease of \$113,729, leaving a balance of \$3,569,444 in net capital assets.

The following is a summary of capital asset activity:

	Balance				Balance
	12/31/23	Additions	Deletions		12/31/24
Capital assets not being depreciated					
Land	\$ 177,266	\$ -	\$ -		\$ 177,266
Construction in Progress	45,000	-	-		45,000
Total capital assets not being depreciated	222,266	-	-		222,266
Capital assets being depreciated					
Buildings	2,833,868	-	-		2,833,868
Land improvements	169,319	-	-		169,319
Equipment	358,653	85,209	-		443,862
Vehicles and accessories	4,655,364	146,288	80,382		4,721,270
Total capital assets being depreciated	8,017,204	231,497	80,382		8,168,319
Total capital assets	8,239,470	231,497	80,382		8,390,585
Accumulated depreciation					
Buildings	(1,131,589)	(68,117)	-		(1,199,706)
Land improvements	(73,654)	(4,232)	-		(77,886)
Equipment	(197,618)	(64,945)	-		(262,563)
Vehicles and accessories	(3,153,436)	(207,932)	(80,382)		(3,280,986)
Total accumulated depreciation	(4,556,297)	(345,226)	(80,382)		(4,821,141)
Net capital assets being depreciated	3,460,907	(113,729)	-		3,347,178
Net capital assets	<u>\$ 3,683,173</u>	<u>\$ (113,729)</u>	<u>\$ -</u>		<u>\$ 3,569,444</u>

Long Term Obligations

The District also posted a total of \$297,049 in accrued compensated absences. Due to a new accounting standard.

Additional information on the long-term obligations can be found in Note 1 of the financial statements.

The following is a summary of long-term obligations:

	Balance				Balance
	12/31/23	Additions	Repayments	Net Change	12/31/24
Accrued Compensated Absences	<u>\$ 87,019</u>	<u>\$ 210,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,049</u>

PAGOSA FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) December 31, 2024

The Future of the District

The Pagosa Fire Protection District is actively developing a strategic plan to guide the future of capital projects, apparatus replacement, and staffing needs. As part of its ongoing commitment to improving emergency services, the District recently added three (3) career firefighters, increasing minimum staffing to four (4) firefighters per shift. Additionally, the District filled a dedicated Training Captain position to enhance training consistency and support the recruitment and retention of both volunteer and career personnel.

The District remains focused on maintaining its current fleet and equipment, while also planning for the replacement of critical apparatus that have become obsolete or have failed service tests. As part of this effort, the District has secured the purchase of two (2) new tenders to replace aging units. Pursuing additional grant funding will continue to be a key strategy in supporting equipment replacement efforts now and in the future.

To help fund necessary infrastructure improvements, the District implemented Impact Fees in February 2025. These fees apply to new construction of buildings, structures, facilities, or other significant improvements within the District.

Request for Information

The financial report is designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the District's finances. Questions concerning this or any additional information should be addressed to Pagosa Fire Protection District, 165 N. Pagosa Blvd., Pagosa Springs, CO 81147.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Directors
Pagosa Fire Protection District
Pagosa Springs, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, major fund opinion and aggregate remaining fund information of Pagosa Fire Protection District, as of and for the year ended December 31, 2024, and the related notes to the financial statements which collectively comprise Pagosa 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, major fund and aggregate remaining fund information of the Pagosa Fire Protection District as of December 31, 2024, 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 Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Pagosa Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related 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 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 the 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 Pagosa 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.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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 Pagosa Fire Protection District 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 Pagosa 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.

Report on Summarized Comparative Information

We have previously audited the Pagosa Fire Protection District 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of a Matter

As discussed in Note 10 to the financial statements, the 2023 financial statements have been restated to reflect the adoption of GASB Statement No. 101 – Compensated Absences. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, and historical pension information listed in the tables of contents be presented to supplement the basic financial statements. Such information, 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 Pagosa Fire Protection District's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado
June 25, 2025

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Basic Financial Statements

PAGOSA FIRE PROTECTION DISTRICT
Statement of Net Position
December 31, 2024

Governmental
Activities

ASSETS AND DEFERRED OUTFLOWS

ASSETS

Current Assets

Cash and Equivalents	\$ 140,957
Investments	3,256,923
Receivables:	
Cash with Fiscal Agent	25,587
Accounts Receivable	244,652
Prepaid Expenses and Deposits	50,198
Internal Balances	(290,570)
Total Current Assets	<u>7,647,265</u>

Noncurrent Assets

Capital Assets Not Being Depreciated	222,266
Capital Assets Being Depreciated, net	3,347,178
Total Noncurrent Assets	<u>3,569,444</u>

Total Assets	11,216,709
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DEFERRED OUTFLOWS OF FINANCIAL RESOURCES

Deferred Outflows - Pensions (net)	674,251
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 11,890,960</u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

LIABILITIES

Current Liabilities

Accounts Payable	\$ 38,259
Accrued Payroll	88,848
Total Current Liabilities	<u>127,107</u>

Noncurrent Liabilities

Due in Excess of One Year	980,921
Total Noncurrent Liabilities	<u>980,921</u>

Total Liabilities	<u>1,108,028</u>
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DEFERRED INFLOWS OF FINANCIAL RESOURCES

Deferred Inflows - Pensions (net)	70,973
Total Deferred Inflows	<u>4,290,491</u>

NET POSITION

Net Investment in Capital Assets	3,569,444
Restricted Net Position	169,000
Unrestricted Net Position	2,753,997
Total Net Position	<u>6,492,441</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 11,890,960</u>

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

PAGOSA FIRE PROTECTION DISTRICT
Statement of Activities
Year Ended December 31, 2024

Function/Program	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Public Safety	\$ 3,574,918	\$ 483,866	\$ 12,724	\$ 33,596	\$ (3,044,732)
General Revenues:					
Property Taxes, levied for general purposes					4,601,146
Specific Ownership Taxes					347,165
Investment Earnings					153,564
Other Revenues					8,150
Total General Revenues					<u>5,110,025</u>
Change in Net Position					<u>2,065,293</u>
Net Position, Beginning					4,578,011
Prior Year Restatement					<u>(150,863)</u>
Net Position, Beginning (As Restated)					<u>4,427,148</u>
Net Position, Ending					<u>\$ 6,492,441</u>

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

PAGOSA FIRE PROTECTION DISTRICT
Balance Sheet - Governmental Fund
December 31, 2024
(With Comparative Totals for December 31, 2023)

	General Fund	
	2024	2023
ASSETS		
Cash and Equivalents	\$ 140,957	\$ 56,646
Investments	3,256,923	1,286,388
Receivables:		
Cash with Fiscal Agent	25,587	26,473
Accounts Receivable	244,652	31,888
Prepaid Expenses and Deposits	50,198	44,419
Internal Balances	(290,570)	(18,954)
Total Assets	<u>\$ 7,647,265</u>	<u>\$ 1,426,860</u>
LIABILITIES DEFERRED INFLOWS AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 38,259	\$ 37,052
Accrued Payroll	88,848	74,073
Total Liabilities	<u>127,107</u>	<u>111,125</u>
FUND BALANCE		
Nonspendable	50,198	44,419
Restricted for Emergencies	169,000	96,000
Unassigned	<u>3,081,442</u>	<u>1,175,316</u>
Total Fund Balance	<u>3,300,640</u>	<u>1,315,735</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 7,647,265</u>	<u>\$ 1,426,860</u>

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

PAGOSA FIRE PROTECTION DISTRICT
Reconciliation of Governmental Fund Balance to Governmental
Activities Net Position
December 31, 2024

Fund Balance - Governmental Funds		\$ 3,300,640
Amounts reported for governmental activities in the statement of net position because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital Assets	\$ 8,390,585	
Accumulated Depreciation	<u>(4,821,141)</u>	3,569,444
Long-term liabilities, including capital leases and notes payable are not due and payable in the current period and therefore are not reported in the funds:		
Accrued Compensated Absences		(297,049)
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
<u>FPPA Statewide Defined Benefit Plan</u>		
Net pension asset (liability)	-	
Deferred outflows - pensions (net)	577,878	
Deferred inflows - pensions (net)	<u>(70,973)</u>	506,905
<u>Volunteer Firefighter Pension Fund</u>		
Net pension asset (liability)	(683,872)	
Deferred outflows - pensions (net)	96,373	
Deferred inflows - pensions (net)	<u>-</u>	<u>(587,499)</u>
Net Position - Governmental Activities		<u>\$ 6,492,441</u>

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

PAGOSA FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	<u>General Fund</u>	
	<u>2024</u>	<u>2023</u>
REVENUES		
Taxes	\$ 4,948,311	\$ 2,992,063
Charges for Services	483,866	319,358
Investment Earnings	153,564	16,557
Other Revenues	<u>20,874</u>	<u>36,677</u>
Total Revenues	<u>5,640,211</u>	<u>3,364,655</u>
EXPENDITURES		
Current:		
Public Safety	3,425,190	2,861,502
Pension Expense	-	168,011
Capital Outlay	<u>230,116</u>	<u>162,888</u>
Total Expenditures	<u>3,655,306</u>	<u>3,192,401</u>
Change in Fund Balance	1,984,905	172,254
Fund Balance, Beginning	<u>1,315,735</u>	<u>1,143,481</u>
Fund Balance, Ending	<u>\$ 3,300,640</u>	<u>\$ 1,315,735</u>

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

PAGOSA FIRE PROTECTION DISTRICT
Reconciliation of Governmental Fund Change in Fund Balance to
Governmental Activities Change in Net Position
Year Ended December 31, 2024

Change in Fund Balance - Governmental Funds		\$ 1,984,905
Amounts reported for governmental activities in the statement of activities are different because:		
Purchases of capital assets are expensed in the funds and depreciated for the statement of activities while capital asset deletions are not reported in the funds:		
Capital Outlay	\$ 231,500	
Depreciation Expense	<u>(345,229)</u>	(113,729)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in deferred outflows - pensions (net)	(514,039)	
Change in net pension asset/liability	494,800	
Change in deferred inflows - pensions (net)	<u>272,523</u>	253,284
Accrued compensated absences are expensed when paid in the funds and are recorded as long-term obligations for the statement of net position		
Change in Accrued Compensated Absences		<u>(59,167)</u>
Change in Net Position - Governmental Activities		<u>\$ 2,065,293</u>

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

PAGOSA FIRE PROTECTION DISTRICT
Statement of Fiduciary Net Position -
Pension Trust Fund
December 31, 2024
(With Comparative Totals for December 31, 2023)

	Total	
	2024	2023
ASSETS		
Restricted Cash and Investments	\$ 3,344,198	\$ 3,452,447
Internal Balances	290,570	18,954
Total Assets	<u>3,634,768</u>	<u>3,471,401</u>
LIABILITIES		
Accounts Payable	<u>3,810</u>	<u>-</u>
NET POSITION		
Restricted for Retirement Benefits	<u>\$ 3,630,958</u>	<u>\$ 3,471,401</u>

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

PAGOSA FIRE PROTECTION DISTRICT
Statement of Changes in Fiduciary Net Position -
Pension Trust Fund
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	Total	
	2024	2023
ADDITIONS:		
Contributions		
District	\$ 261,974	\$ 168,011
State	30,596	30,596
Investment Earnings	250,224	296,728
Total Additions	<u>542,794</u>	<u>495,335</u>
DEDUCTIONS:		
Pension Benefit Payments	342,090	336,910
Actuarial Fees	4,500	-
Investment Fees	36,647	-
Total Deductions	<u>383,237</u>	<u>336,910</u>
Change in Fiduciary Net Position	159,557	158,425
Net Position, Beginning	<u>3,471,401</u>	<u>3,312,976</u>
Net Position, Ending	<u>\$ 3,630,958</u>	<u>\$ 3,471,401</u>

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

PAGOSA FIRE PROTECTION DISTRICT
Statement of Changes in Fiduciary Net Position -
Pension Trust Fund
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	<u>Total</u>	
	<u>2024</u>	<u>2023</u>
ADDITIONS:		
Contributions		
District	\$ 261,974	\$ 168,011
State	30,596	30,596
Investment Earnings	250,224	296,728
Total Additions	<u>542,794</u>	<u>495,335</u>
DEDUCTIONS:		
Pension Benefit Payments	342,090	336,910
Actuarial Fees	4,500	-
Investment Fees	36,647	-
Total Deductions	<u>383,237</u>	<u>336,910</u>
Change in Fiduciary Net Position	159,557	158,425
Net Position, Beginning	<u>3,471,401</u>	<u>3,312,976</u>
Net Position, Ending	<u>\$ 3,630,958</u>	<u>\$ 3,471,401</u>

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

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pagosa Fire Protection District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

ORGANIZATION

The Pagosa Fire Protection District (the District) was established on July 9, 1975 as a special district as defined by the 1973 Colorado Revised Statutes (C.R.S.). The District was formed to provide fire protection to its inhabitants. The statutes provide that the Board of Directors shall be the policy-making authority.

REPORTING ENTITY

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

BASIS OF PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The statement of net position presents the financial position of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as net position.

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. The District does not allocate indirect expenses to functions in the statement of activities.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

Separate financial statements are provided for the governmental fund and the fiduciary fund, even though the latter is excluded from the government-wide financial statements.

FUND ACCOUNTING

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The District uses funds to maintain its financial records during the year. Fund financial statements consist of a series of statements focusing on information about the District's major governmental funds.

The following is the District's major 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.

Additionally, the District reports the following fiduciary fund type:

Pension Trust Fund - The Pension Trust Fund accounts for transactions relating to assets held by the District in its capacity of trustee for the Volunteer Firefighter Pension Fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements and the fiduciary fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and liabilities are included on the balance sheet, and the fund balance includes only spendable resources. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of certain deferred outflows of resources and in the presentation of expenses versus expenditures. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means 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 recorded when a liability is incurred as under accrual accounting. However, debt service expenditures are reported only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

USE OF ESTIMATES

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

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS

In accordance with the State 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 notification and publication requirements.

DEPOSITS AND INVESTMENTS

The District's deposits include amounts that are readily convertible to known amounts of cash, are not subject to significant risk from changes in interest rates and have a maturity of three months or less from the date of acquisition. For deposits, the fair value approximates the carrying value. Deposits include cash in checking accounts and certificates of deposits. Investments are measured at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application.

RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The District has not recorded an allowance against outstanding receivables.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

All outstanding balances between funds are reported as "interfund balances" in the governmental fund balance sheet. These balances are eliminated in the statement of net position on the government-wide financial statements.

PREPAID ITEMS

Payments made for services that will benefit periods beyond the end of the current year are recorded as prepaid items.

PROPERTY TAXES

In the government fund financial statements, property tax revenue is accounted for using the modified accrual basis of accounting. Property tax receivable is recognized on the levy or lien date. This receivable represents taxes certified by Archuleta County (the County) to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable has been recorded, the related revenue is unavailable and will not be recognized as revenue until the year for which it is levied in the governmental fund statements. In the government-wide financial statements, property tax revenues are also recognized as revenues in the year for which they are levied.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY TAXES (Continued)

The District's property taxes, levied by December 15, are due and payable in the subsequent calendar year. Assessed values are established by the County Assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which they are payable. The taxes are payable under 2 methods: a) in full on or before April 30 or b) one-half on or before February 28, and the remaining one-half on or before June 15. Property tax receipts collected by the County are remitted to the District in the subsequent month. Property taxes receivable not collected within 60 days of year end have been recorded as a deferred inflow of resources in the fund financial statements. Since property taxes are normally levied in December for the next calendar year's operations, the total levy is reported as taxes receivable and a deferred inflow of resources in the government-wide financial statements.

For the 2023 levy to be collected in 2024, the mill levy was certified in January of 2024 in accordance with a temporary State statutory modification to the annual certification deadline, and therefore does not represent a receivable or deferred inflow at year end.

CAPITAL ASSETS

Capital assets, which include land, land improvements, buildings, equipment and vehicles, are reported in the government-wide financial statements. Capital outlays are recorded as expenditures in the General Fund at the time of purchase. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Land is not depreciated. Buildings, equipment and vehicles of the District are depreciated using the straight-line method over 5 to 40 years.

Compensated Absences

The District allows its employees to accumulate vacation time. The District's accrued vacation is based on completed years of service for full-time non-exempt administrative (non-shift) employees:

- 0 - 5 years of service 2 weeks
- 6 - 10 years of service 3 weeks
- 11 - 15 years of service 4 weeks
- 16 - 20 years of service 5 weeks
- 21+ years of service 6 weeks

The District's accrued vacation is based on completed years of service for non-exempt, shift employees:

- 0 - 5 years of service 4 shifts
- 6 - 10 years of service 6 shifts
- 11 - 15 years of service 8 shifts
- 16 - 20 years of service 10 shifts

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District also allows employees to carry over compensatory time of a maximum of 80 hours at year end. Upon separation from service, the total amount of accumulated but unused vacation and compensatory time is paid out. Sick leave is accumulated monthly at a rate of 3.69 hours per pay period for non-exempt administrative (non-shift) employees and at a rate of 5.53 hours per pay period for full-time shift employees. Full-time, non-exempt shift employees with tenure between 10 and 20 years who leave the District in good standing will be eligible to receive a lump sum payment for their accrued sick time, not to exceed 240 hours, and tenure over 20 years not to exceed 480 hours. Non-exempt, shift employees with tenure between 10 and 20 years who leave the District in good standing will be eligible to receive a lump sum payment for their accrued sick time, not to exceed 360 hours, and tenure over 20 years not to exceed 720 hours. The Chief Officer with tenure over 5 years and leaves the District in good standing will be eligible to receive a lump sum payment for their accrued sick time, not to exceed 720 hours. All compensated absences is accrued when earned in the government-wide financial statements (See discussion of adoption of GASB Statement No. 101 – Compensated Absences in Note 10). A liability for these amounts is reported in Governmental Funds only if they have matured, for example, as a result of employee resignations and retirements.

DEFERRED OUTFLOWS AND INFLOWS OF FINANCIAL RESOURCES

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The government has pension related items, which arises only under the full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, contributions subsequent to measurement date and the difference between projected and actual investment returns, the difference between projected and actual pension experience, changes in plan assumptions and changes in the District's proportionate share of the underlying pension asset or liability, are reported in the governmental activities statement of net position. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become due.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, property taxes, which arises both under the full accrual and modified accrual basis of accounting, and pension related items that only are reported under full accrual, that qualify for reporting in this category. The property tax item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. The pension items are the difference between projected and actual pension experience, pension earnings, changes in assumptions and changes in the District's proportionate share of the underlying pension asset or liability. The pension differences and changes are amortized based on the requirements of GASB Statement 68.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM OBLIGATIONS

Long-term debt is reported at face value, net of applicable discounts and deferred gains or charges on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position.

NET POSITION/FUND BALANCE

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (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, for example, inventories and prepaid amounts. The District currently does not have this category of fund balance.

Fund balance is reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The District's restricted fund balance represents the funds set aside to satisfy the TABOR emergency reserve requirement discussed in Note 6.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The District currently has no committed funds.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The District currently has assigned fund balances for specific uses as well as through the adoption of the 2024 budget.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**PAGOSA FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PENSIONS

The District participates in two defined benefit pension plans. For purposes of measuring the net pension (assets) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense/benefit, information about the fiduciary net position of pension plans and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

LEASES

For long-term leasing arrangements where the District is a lessee, a lease liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the District’s right to use an underlying asset for the lease term and lease liabilities represent the District’s obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. For the year ended December 31, 2024, the District did not have any material long-term leasing arrangements.

For short-term leasing arrangements where the District is a lessee, payments are recognized as outflows of resources.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District’s financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

The District’s cash and investment balances are comprised of the following:

Cash and equivalents	\$ 140,957
Restricted pension bank deposits	<u>(283,178)</u>
Total bank deposits	<u>(142,221)</u>
Investments (cash equivalent)	3,256,923
Restricted pension investments	<u>3,627,376</u>
Total investments	<u>6,884,299</u>
Total cash and investments	<u>\$ 6,742,078</u>

The cash and investments are presented in the financial statements as follows:

Cash and equivalents	\$ 140,957
Investments	3,256,923
Restricted pension cash and investments	<u>3,344,198</u>
Total cash and investments	<u>\$ 6,742,078</u>

**PAGOSA FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024**

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. 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 (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial 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. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and December 31, 2024, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

The District's deposits are categorized as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC insured deposits	\$ 154,817	\$ (142,221)

INVESTMENTS

Fair Value

The District/Pension categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. The District's investments held in trust for the pension plan have a Level 1 and 2 fair value measurement as of December 31, 2024

The following is a description of the valuation methodologies used for assets measured at fair value. US Instrumentalities - Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips with a final maturity not exceeding five years from the date of purchase and have a rating of Aaa by Moody's. The fair value per unit is the quoted price in an active market and classified within Level 1 of the valuation hierarchy.

Money Market Funds - These are public investment vehicles, registered under the Investment Company Act of 1940 which are "no-load" (no commission fee charged on purchases or sales of shares); have a constant net asset value of \$1.00; have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7; and have a rating of AAAM by Standard & Poor's, Aaa by Moody's or AAA/V1+ by Fitch. The fair value per unit is the quoted price in an active market and classified within Level 1 of the valuation hierarchy.

**PAGOSA FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024**

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Mutual Funds - These are public investment vehicles, valued using the fair value per share (unit) provided by the administrator of the fund. The fair value per unit is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The fair value per unit is the quoted price in an active market and classified within Level 1 of the valuation hierarchy.

	<u>Level 1</u>	<u>Uncategorized</u>	<u>Total</u>
Investment Pools	\$ -	\$ 3,256,923	\$ 3,256,923
Pension Money Market Funds	549,628	-	549,628
Pension Mutual Funds	3,304,288	-	3,304,288
Pension Treasury Investments	-	-	-
Total Investments	<u>\$ 3,853,916</u>	<u>\$ 3,256,923</u>	<u>\$ 7,110,839</u>

The District’s local government pool investment, further described below, is not subject to categorization or the fair value disclosures.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2024, there were no changes in the methods or assumptions utilized to derive the fair value of the District’s assets and liabilities.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not hold any investments, and therefore, credit risk is not applicable. The pension trust may be invested only in investment-grade bonds rated BBB (or equivalent) or better, commercial paper rated A1 (or equivalent) or better. Money market funds within the pension trust shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor’s and/or Moody’s. The mutual funds held by the pension trust are unrated.

The District and pension trust are required to comply with state statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Noninsured trust pension plans with a bank or trust company authorized to exercise trust powers in this state as a trustee.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 31-30-1113 as described above, and as otherwise indicated in the statute.

Pursuant to the pension trust's investment policy, it may also invest in:

- Short-term investment funds
- Certificates of deposit insured by the FDIC and collateralized in accordance with PDPA
- Fixed income securities
- Equity securities
- Mutual funds Exchange traded funds
- Other assets
- Derivative investments upon permission from the pension board

The District has invested \$3,256,923 in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The investment is valued at net asset value. Investments of the Trusts consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. Colotrust is rated AAAM by Standard and Poor's.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned to it. The District's policy requires all deposits to be held in PDPA-approved financial institutions to mitigate this risk.

Concentration Of Credit Risk - It is the policy of the District to diversify its use of investment instruments to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. In order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 10% of total plan assets, and no more than 30% of total plan assets should be invested in any one industry. Individual treasury securities may represent 40% of the plan assets, while the total allocation to treasury bonds and notes may represent up to 100% of the plan's aggregate bond position.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Fixed income maturities within the pension trust are limited to a maximum maturity for any single security of 30 years and a weighted average portfolio maturity not to exceed 15 years.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The District is not exposed to foreign currency risk at year end.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2024, the District's pension investments were held by Comerica Bank and Trust, N.A.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 2: CASH AND INVESTMENTS (Continued)

PENSION INVESTMENTS

At December 31, 2024, the District’s pension investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg Mat.</u>	<u>% of Total</u>
Money Market Funds	\$ 549,628	-	14.26%
Mutual Funds	3,304,288	-	85.74%
U.S. Treasuries	-	-	0.00%
Total	<u>\$ 3,853,916</u>	-	<u>100.00%</u>

INVESTMENTS

The mutual funds do not have maturities or credit ratings. The U.S. instrumentalities and money market funds have a maturity of one year or less. The following investments exceeded 5% of the total investment balance:

<u>Investment</u>	<u>Fair Value</u>	<u>% of Total</u>
PGIM ETF TR Ultra Short	\$ 388,968	10.09%
Ishares TR TR-S&P 500 Index	369,691	9.59%
Pacer Funds TR Lunt Lrg Cap Alter Cash Cows	297,198	7.71%
GS FSQ Govt Inst	260,231	6.75%
Fidelity Inst Prime Treasury	200,375	5.20%
Ishares TR S&P SM Cap 600 Index	<u>187,002</u>	<u>4.85%</u>
Total	<u>\$ 1,703,465</u>	<u>44.20%</u>

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 3: CAPITAL ASSETS

Capital Asset Activity for the year ended December 31, 2024 was as follows:

	Balance			Balance
	12/31/23	Additions	Deletions	12/31/24
Capital assets not being depreciated				
Land	\$ 177,266	\$ -	\$ -	\$ 177,266
Construction in Progress	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
Total capital assets not being depreciated	222,266	-	-	222,266
Capital assets being depreciated				
Buildings	2,833,868	-	-	2,833,868
Land improvements	169,319	-	-	169,319
Equipment	358,653	85,209	-	443,862
Vehicles and accessories	<u>4,655,364</u>	<u>146,288</u>	<u>80,382</u>	<u>4,721,270</u>
Total capital assets being depreciated	<u>8,017,204</u>	<u>231,497</u>	<u>80,382</u>	<u>8,168,319</u>
Total capital assets	8,239,470	231,497	80,382	8,390,585
Accumulated depreciation				
Buildings	(1,131,589)	(68,117)	-	(1,199,706)
Land improvements	(73,654)	(4,232)	-	(77,886)
Equipment	(197,618)	(64,945)	-	(262,563)
Vehicles and accessories	<u>(3,153,436)</u>	<u>(207,932)</u>	<u>(80,382)</u>	<u>(3,280,986)</u>
Total accumulated depreciation	<u>(4,556,297)</u>	<u>(345,226)</u>	<u>(80,382)</u>	<u>(4,821,141)</u>
Net capital assets being depreciated	<u>3,460,907</u>	<u>(113,729)</u>	<u>-</u>	<u>3,347,178</u>
Net capital assets	<u>\$ 3,683,173</u>	<u>\$ (113,729)</u>	<u>\$ -</u>	<u>\$ 3,569,444</u>

NOTE 4: LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following is a summary of changes in long term obligations of the District for December 31, 2024:

	Balance				Balance
	12/31/23	Additions	Repayments	Net Change	12/31/24
Accrued Compensated Absences	<u>\$ 87,019</u>	<u>\$ 59,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,049</u>

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5: PENSION PLANS

VOLUNTEER FIREFIGHTER PENSION FUND

General Information About The Pension Plan

Effective January 2, 2003, the District elected to affiliate with Wells Fargo Bank West (Wells Fargo) for the purpose of having Wells Fargo administer its Volunteer Firefighter Pension Plan (the Volunteer Fund), a single-employer defined benefit plan, and manage the Volunteer Fund investments. The Volunteer Fund is administered by reference to the Rules and Bylaws of the Firefighter Pension Fund of the District as adopted on July 12, 1982 and amended on August 8, 1988, and applicable Colorado statutes. The District Board of Directors has the authority to establish and amend benefit provisions. The Pension Board of Trustees consists of the members of the Board of Directors of the District and two elected retired or active volunteers of the fire department.

Since the District retains fiduciary responsibility for the Volunteer Fund, it has been determined that the activities of this pension should be reported in the District's financial statements as a fiduciary fund type - pension trust fund. The financial statements of the Volunteer Fund are prepared using the accrual basis of accounting. Benefits, expenses and refunds are recognized when due and payable in accordance with the terms of the plan. All administrative expenses are borne by the Volunteer Fund. Stand-alone financial statements for the Volunteer Fund are not issued.

Contribution And Benefit Information

Funding of accrued pension expense is accomplished through contributions from the State of Colorado in accordance with 1973 C.R.S. 31-30-1014(3)(a)(1), and through an annual mill levy of 0.500 (not to exceed one) on the current valuation for assessment. The assessed valuation for 2024 was \$498,689,490. One mill was \$498,689. Taxes collected in 2024 and remitted for pension funding were \$261,974.

The Volunteer Fund is open to any firefighter who renders service to the District and who does not receive compensation under an employment contract as a firefighter. The Volunteer Fund covers substantially all volunteer firefighters within the fire department of the District. The benefits provided under the plan are as follows:

- a) The Volunteer Firefighter Pension Fund currently pays a pension benefit of \$700 per month to a qualified retired volunteer firefighter to whom the Pension Fund's Board of Trustees has granted a pension based on their having provided at least 20 year of volunteer service and being at least 50 years of age. As permitted by state statute, the Pension Fund, also pays a prorated monthly pension benefit to a qualified retired volunteer firefighter who has provided at least 10 years, but less than 20 years, of volunteer service and who is at least 50 years of age. The amount of the monthly pension benefit is calculated at \$35 per year pf qualifying volunteer service. For example, a volunteer firefighter who earns 12 years of pensionable service would receive a monthly pension benefit of \$420 ($\$35 \times 12 \text{ years} = \420).

**PAGOSA FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024**

NOTE 5: PENSION PLANS

VOLUNTEER FIREFIGHTER PENSION FUND (Continued)

- b) Survivor Benefit - monthly benefits Following death before retirement, not more than \$350.
- c) Funeral Benefit - lump sum benefit Following death of any active or retired member of the Pension Fund, \$1,000
- d) Disability Retirement Benefit - monthly benefits Short-term disability - \$150 for one year

Census information for the Volunteer Fund as of December 31, 2023 is as follows:

Inactive plan members or beneficiaries currently receiving benefits	71
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>26</u>
Total Members	99

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

At December 31, 2024, the District reported net pension assets (fiduciary net position) of \$3,630,958 and a total pension liability of \$4,314,830, for a net pension liability of \$683,872. The net pension liability was measured as December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2024, the District recognized pension expense of \$104,860. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (109,863)
Net difference between projected and actual earnings on pension plan investments	\$ 206,236	\$ -
Total	\$ 206,236	\$ (109,863)

**PAGOSA FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREMEN'S PENSION FUND (Continued)

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

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

Year Ended December 31:	Amortization Amount
2024	\$ 15,992
2025	118,634
2026	(29,330)
2027	(8,923)
Total	\$ 96,373

Actuarial assumptions. The total pension liability as of December 31, 2024 was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry Age Normal Cost
Long-term investment rate of return, net of pension plan investment expenses, including inflation	6.00%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	Market Value
Inflation	Implicit
Salary increase, including wage inflation	N/A
Retirement Age	50% rate assumed until age 65 at which 100% retirement is assumed
Mortality	For annuitants, Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and Females, amount weighted, projected with the ultimate values of the MP-2020 projection scale. For active members, Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier.

**PAGOSA FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREMEN'S PENSION FUND (Continued)

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

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2022 through December 31, 2022. The mortality and withdrawal assumptions have been updated since the prior valuation. The assumptions are similar to the assumption set used to value volunteer fire districts in Colorado that are associated with FPPA. The investment rate of return has been updated to be net of investment expenses only, and an explicit administrative expense assumption has been added to the actuarially determined contribution.

The investment objective of the Volunteer Fund is to emphasize long-term growth of principle while avoiding excessive risk. Short-term volatility is tolerated in as much as the comparable market index fluctuates. Total return to exceed the performance of a policy index based on the strategic allocation of the Volunteer Fund assets to various broad asset classes. The asset classes included in the pension plan's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation
Domestic Large Cap Equities	18.00%
Domestic Mid Cap Equities	5.00%
Domestic Small Cap Equities	5.00%
International Stocks	10.00%
Fixed Income	60.00%
Cash and Equivalents	2.00%
Total	100.00%

Discount Rate - Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.0%; the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.0%.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.0%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (5%)	Current Discount Rate (6%)	1% Increase (7%)
Proportionate share of the net pension asset (liability)	\$ (1,584,310)	\$ (1,087,755)	\$ (673,543)

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREMEN'S PENSION FUND (Continued)

Schedule of Changes in the Volunteer Net Pension Liability

The following is a schedule of the changes in both the total pension liability and the net pension liability for the year ended December 31, 2024:

Schedule of Changes in District's Net Pension Liability and Related Ratios	
<u>Total Pension Liability</u>	<u>2024</u>
Service cost	\$ 50,472
Interest	264,928
Differences between expected and actual experience	(217,636)
Changes of assumptions	-
Benefit payments	<u>(342,090)</u>
Net changes in total pension liability	(244,326)
Total Pension Liability - beginning	<u>4,559,156</u>
Total Pension Liability - ending (a)	<u>\$ 4,314,830</u>
<u>Plan Fiduciary Net Position</u>	
Contributions - employer	\$ 261,974
Contributions - state	30,596
Net investment Income	250,224
Benefit payments, including refunds of employee contributions	(342,090)
Administrative expense	(41,147)
State of Colorado Supplemental Discretionary Payment	<u>-</u>
Net change in plan fiduciary net position	159,557
Plan fiduciary net position - beginning	<u>3,471,401</u>
Plan fiduciary net position - ending(b)	<u>\$ 3,630,958</u>
District's net pension liability (asset) - ending (a)-(b)	<u>\$ 683,872</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.15%

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

Schedule of Changes in the Volunteer Net Pension Liability (Continued)

Changes in Actuarial Assumptions - Mortality tables, withdrawal rates, and disability rates have all been updated since the prior valuation. The assumptions are similar to the assumption set used to value volunteer fire districts in Colorado that are associated with Fire and Police Pension Association of Colorado. Additionally, administrative expenses are now assumed to be equal to an average of the actual expenses for the two prior years. There were no benefit changes during the fiscal year, and no changes to actuarial assumptions from the January 1, 2023 valuation.

STATEWIDE RETIREMENT PLAN – DEFINED BENEFIT SYSTEM (FPPA)

Summary of Significant Accounting Policies

Pensions. The Fire & Police Pension Association Defined Benefit System – Statewide Retirement Plan (“Plan”) is a cost-sharing multiple-employer defined benefit pension plan. The Plan covers substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. The Statewide Defined Benefit Plan was established in 1980 pursuant to Colorado Revised Statutes. The Statewide Hybrid Plan was established January 1, 2004 pursuant to Colorado Revised Statutes. HB 22-1034 combined the assets and liabilities of the former Statewide Defined Benefit Plan and the Statewide Hybrid Plan to form the Statewide Retirement Plan. The combined membership now participates under one of four benefit “components”:

- Defined Benefit Component
- Hybrid Defined Benefit Component
- Money Purchase Component
- Social Security Component

The District participates in the Defined Benefit Component.

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988, unless the Employer elects into and is determined to be eligible to participate in the Statewide Money Purchase Plan. In 2003, legislation was enacted to allow departments who cover their firefighters and police officers in money purchase plans to elect coverage under the FPPA Defined Benefit System.

As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Defined Benefit System and the Statewide Death and Disability Plan.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the Defined Benefit Component of the SRP Plan. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, that can be obtained at <http://www.FPPAco.org>.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN – DEFINED BENEFIT SYSTEM (FPPA) (Continued)

General Information about the Pension Plan (Continued)

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan.

The net pension asset or 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 SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. 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.

Members Included. Members included are active, full-time salaried employees of a participating municipality, fire protection district, fire authority, or county improvement district normally serving at least 1,600 hours in a calendar year and whose duties are directly involved with the provision of police or fire protection. As of August 5, 2003, the Plan may also include clerical and other personnel employed by a fire protection district, fire authority, or a county improvement district.

Benefits provided. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The normal retirement age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member eligible for early retirement after completion of 30 years of service or attainment of age 50 with a least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for year of service thereafter.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN – DEFINED BENEFIT SYSTEM (FPPA) (Continued)

General Information about the Pension Plan (Continued)

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via a cost of living adjustment (COLA). COLAs be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director’s discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for a least 12 calendar months prior to October 1.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions. Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between the employer and member, upon approval through an election of both the employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0 percent.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were \$85,970 for the plan year ended December 31, 2023 and \$122,379 for the fiscal year ended December 31, 2024. The current year contributions will be expensed in 2025 for FPPA purposes and are a timing difference at year end. The District has 21 contributing members to the plan during 2024.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN – DEFINED BENEFIT SYSTEM (FPPA) (Continued)

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

At December 31, 2024, the District reported a liability of \$0 for its proportionate share of the SRP’s net pension liability. The net pension asset or liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The District’s proportion of the net pension liability was based on District’s contributions to the SWDB for the calendar year 2023 relative to the total contributions of participating employers to the SWDB.

At December 31, 2024, the District’s proportion was 0.0923%, which was a decrease of 0.01106% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2024, the District recognized pension expense of \$26,210. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 160,094	\$ (8,700)
Changes of assumptions or other inputs	\$ 91,292	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 152,548	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 51,565	\$ (62,273)
Contributions subsequent to the measurement date	\$ 122,379	\$ -
Total	\$ 577,878	\$ (70,973)

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN – DEFINED BENEFIT SYSTEM (FPPA) (Continued)

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

\$122,379 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2025.

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

Year Ended December 31:	Fiscal year Total
2025	\$ 65,508
2026	98,006
2027	138,629
2028	9,337
2029	22,154
2030-2032	50,892
Total	\$ 384,526

Actuarial assumptions. The actuarial valuations for the Defined Benefit Component were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumption and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Asset Valuation Method	5-Year smoothed fair value
Long-term investment rate of return, net of pension plan investment expenses, including price inflation *	7.00%
Payroll Growth	3.00%
Salary increase, including wage inflation	4.25%- 11.75%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

The post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption used Pub-2010 Safety Health Employees Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

Termination rates (for causes other than death, disability or retirement): Termination rates are based on service. Termination rates are not applied after a member becomes eligible for a retirement benefit.

**PAGOSA FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN – DEFINED BENEFIT SYSTEM (FPPA) (Continued)

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments for the Long-Term Pool was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Long-Term Pool Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Diversifiers	9%	6.39%
Cash	1%	4.32%
Total	100%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**PAGOSA FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN – DEFINED BENEFIT SYSTEM (FPPA) (Continued)

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

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.77% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

In accordance with GASB Statement No. 67 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability of the participating employers calculated using the discount rate of 7.00 percent, as well as what the employers’ net pension liability would be calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the SRP net pension asset (liability) ⁽¹⁾	\$ (517,334)	\$ -	\$ -

(1) The Statewide Retirement Plan Net Pension Liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of \$178,385 at a 7.00 percent discount rate and 652,952 and an 8.00 percent discount rate.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 6: STATEWIDE DEATH AND DISABILITY PLAN

The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the Plan may include part-time police and fire employees. Contributions to the Plan are used for the payment of death and disability benefits. The Plan was established in 1980 pursuant to Colorado Revised Statutes. The Plan assets are included in the Fire & Police Members' Benefit Investment Fund Long-Term Pool

Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase pension plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse and/or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that an member's disability is determined to be the result of an on-duty injury or an occupational disease.

All full-time firefighters are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by state statute and generally allow for benefits upon the death or disability of a plan member prior to retirement.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for SWD&DP. That report may be obtained at www.fppaco.org.

Contributions

Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado Statute. In 1997, the State made a one time contribution to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. In 2022 and 2023, the State made additional one time contributions to fund past and future service costs for the same members based on updated actuarial calculation of liabilities.

Members hired on or after January 1, 1997, and members covered by Social Security contribute to this plan. The contribution rate may be increased 0.2 percent annually by the FPPA Board. This contribution percentage can vary depending on actuarial experience. All contributions are made by or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and member.

The District contributed 3.6% of base salaries on behalf of the members during the year ended December 31, 2024. Contributions to the plan for the year ended December 31, 2024 were \$39,622, equal to the required contributions. The District had twenty one employees contributing to the Statewide Retirement Plan, not all of which were eligible to contribute to the SWD&DP.

Other Postemployment Benefits (OPEB) Liabilities, OPEB Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB

The District has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the District does not report a net OPEB liability or deferred outflows of resources and deferred inflows of resources related to OPEB.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 7: DEFERRED COMPENSATION PLAN

The District participates in a deferred compensation plan (the 457 Plan) as defined under the Internal Revenue Code Section 457, which allows employees to make an elective deferral of a portion of earned compensation to the 457 Plan.

The 457 Plan is a multi-employer plan administered by FPPA. Amendments to the 457 Plan may be made by the plan trustee. The District does not match employee contributions to the 457 Plan. For the year ended December 31, 2024, participating employees contributed \$20,847 to the 457 Plan.

NOTE 8: FUND BALANCE RESERVATIONS/APPROPRIATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, otherwise known as the Taxpayers' Bill of Rights (TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation.

The amendment requires emergency reserves to be at least 3% of fiscal year spending. The amendment allows for an increase of revenues under formulas using inflation and local growth. Voter approval is required for tax increases and spending above the inflation and growth factor. Revenue collected, kept or spent illegally shall be refunded with interest. The District believes it is in compliance with TABOR requirements; however, the District has made certain interpretations of the amendment's language in order to determine its compliance.

On May 5, 1998, an election was held that authorized the District to retain and spend all revenues and other funds collected from any source, effective January 1, 1998 and thereafter. On May 2, 2000, an election was held that authorized a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.

The District has made the following fund balance reservation as a result of Article X, Section 20 (TABOR) of the Colorado Constitution:

Emergency Reserve

The Article requires an emergency reserve be set aside for 2024 in the amount of 3% or more of its fiscal year spending. At December 31, 2024, the District restricted \$169,000 in the General Fund for emergencies.

**PAGOSA FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for the risks of loss, including worker's compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage remain unchanged in the past three years.

The District is a participant in the Colorado Special Districts Property and Liability Pool (the Pool), a public entity risk pool currently operating as a common risk management and insurance program for member special districts in Colorado. The Pool provides property and general liability, automobile physical damage and liability, public officials' liability, inland marine, money and security and boiler and machinery coverages to its members. The District does not know its percentage share of the Pool surplus or deficit. The District pays annual premiums to the Pool for coverage.

The Pool agreement also gives the Board of Directors of the Pool the power to establish additional contributions at such times and in such amounts as the Pool's Board of Directors determines are needed for the purposes of the Pool. The Pool's Board of Directors may decide to distribute surplus funds among members; however, the District did not receive any such distribution for the year ended December 31, 2024.

NOTE 10: ADOPTION OF GASB STATEMENT 101 – COMPENSATED ABSENCES

The District has adopted GASB Statement 101 – Compensated Absences. This is considered a change in accounting principle. A change in accounting principle is the application of an accounting principle to transactions or other events of a similar type that is different from the accounting principle previously applied to those transactions or other events.

The change required a restatement of the beginning accrued compensated absence liability due to the inclusion of sick leave balances that were previously not accrued. This resulted in an increase in the accrued liability of \$150,863 and a corresponding reduction in beginning governmental net position.

**Required Supplementary Information
(Pension Schedules – Unaudited)**

PAGOSA FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
Last 10 Fiscal Years**

<u>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a proportion of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
12/31/2024	0.0922593%	\$ -	\$ 904,947	0.00%	100.00%
12/31/2023	0.1024288%	\$ (90,917)	\$ 844,242	-10.77%	97.63%
12/31/2022	0.1033219%	\$ 559,936	\$ 781,511	71.65%	116.16%
12/31/2021	0.0949691%	\$ 206,178	\$ 720,494	28.62%	106.70%
12/31/2020	0.0920007%	\$ 52,032	\$ 678,075	7.67%	101.90%
12/31/2019	0.0583408%	\$ (73,759)	\$ 584,438	-12.62%	95.23%
12/31/2018	0.0589451%	\$ 84,802	\$ 391,788	21.64%	106.34%
12/31/2017	0.0665394%	\$ (32,868)	\$ 444,850	-7.39%	98.21%
12/31/2016	0.1095230%	\$ 1,930	\$ 465,538	0.41%	100.10%
12/31/2015	0.1027823%	\$ 115,998	\$ 530,938	21.85%	106.83%
12/31/2014	0.0914684%	\$ 81,790	\$ 482,475	16.95%	105.83%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

See the accompanying Independent Auditors' Report.

PAGOSA FIRE PROTECTION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS

**FPPA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

Fiscal Year	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
12/31/2024	\$ 85,970	\$ 85,970	\$ -	\$ 904,947	9.50%
12/31/2023	\$ 80,203	\$ 80,203	\$ -	\$ 844,242	9.50%
12/31/2022	\$ 70,336	\$ 70,336	\$ -	\$ 781,511	9.00%
12/31/2021	\$ 61,242	\$ 61,242	\$ -	\$ 720,494	8.50%
12/31/2020	\$ 54,246	\$ 54,246	\$ -	\$ 678,075	8.00%
12/31/2019	\$ 46,755	\$ 46,755	\$ -	\$ 584,438	8.00%
12/31/2018	\$ 31,343	\$ 31,343	\$ -	\$ 391,788	8.00%
12/31/2017	\$ 35,588	\$ 35,588	\$ -	\$ 444,850	8.00%
12/31/2016	\$ 37,243	\$ 37,243	\$ -	\$ 465,538	8.00%
12/31/2015	\$ 42,475	\$ 42,475	\$ -	\$ 530,938	8.00%
12/31/2014	\$ 38,598	\$ 38,598	\$ -	\$ 482,475	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

See the accompanying Independent Auditors' Report.

PAGOSA FIRE PROTECTION DISTRICT

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
Volunteer Pension Plan
Last 10 Fiscal Years**

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Total Pension Liability</u>				
Service cost	\$ 50,472	\$ 50,472	\$ 46,778	\$ 46,778
Interest	264,928	266,290	238,731	240,258
Changes of benefit terms	-	-	321,849	-
Differences between expected and actual experience	(217,636)	-	132,257	-
Changes of assumptions	-	-	47,950	-
Benefit payments	<u>(342,090)</u>	<u>(336,910)</u>	<u>(323,423)</u>	<u>(305,565)</u>
Net changes in total pension liability	(244,326)	(20,148)	464,142	(18,529)
Total Pension Liability - beginning	<u>4,559,156</u>	<u>4,579,304</u>	<u>4,115,162</u>	<u>4,133,691</u>
Total Pension Liability - ending (a)	<u>\$ 4,314,830</u>	<u>\$ 4,559,156</u>	<u>\$ 4,579,304</u>	<u>\$ 4,115,162</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - employer	\$ 261,974	\$ 168,011	\$ 160,944	\$ 145,943
Contributions - state (discretionary)	30,596	30,596	30,596	30,596
Net investment Income	250,224	296,728	(516,095)	214,887
Benefit payments	(342,090)	(336,910)	(323,423)	(305,565)
Administrative expense	(41,147)	-	(14,500)	(20,501)
Other	-	-	469	-
Net change in plan fiduciary net position	159,557	158,425	(662,009)	65,360
Plan fiduciary net position - beginning	<u>3,471,401</u>	<u>3,312,976</u>	<u>3,974,985</u>	<u>3,909,625</u>
Plan fiduciary net position - ending(b)	<u>\$ 3,630,958</u>	<u>\$ 3,471,401</u>	<u>\$ 3,312,976</u>	<u>\$ 3,974,985</u>
District's net pension liability (asset) - ending (a)-(b)	<u>\$ 683,872</u>	<u>\$ 1,087,755</u>	<u>\$ 1,266,328</u>	<u>\$ 140,177</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.15%	76.14%	72.35%	96.59%

Note: There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report.

12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
\$ 40,535	\$ 40,535	\$ 49,860	\$ 76,508	\$ 76,508	\$ 74,203
242,662	244,238	247,046	238,118	239,174	246,217
-	-	-	-	-	-
(17,426)	-	3,098	55,350	-	(152,180)
-	-	(32,087)	93,184	-	-
<u>(312,367)</u>	<u>(309,696)</u>	<u>(306,690)</u>	<u>(299,118)</u>	<u>(290,940)</u>	<u>(284,895)</u>
(46,596)	(24,923)	(38,773)	164,042	24,742	(116,655)
<u>4,180,287</u>	<u>4,205,210</u>	<u>4,243,983</u>	<u>4,079,941</u>	<u>4,055,199</u>	<u>4,171,854</u>
<u>\$ 4,133,691</u>	<u>\$ 4,180,287</u>	<u>\$ 4,205,210</u>	<u>\$ 4,243,983</u>	<u>\$ 4,079,941</u>	<u>\$ 4,055,199</u>
\$ 185,179	\$ 126,900	\$ 122,145	\$ 128,476	\$ 122,503	\$ 119,239
30,596	30,596	30,596	30,596	30,596	30,596
462,836	495,199	(104,299)	345,631	203,521	(3,990)
(312,367)	(309,696)	(306,690)	(299,118)	(296,510)	(284,895)
(71,953)	(42,254)	(37,846)	(28,356)	(36,801)	(27,681)
-	-	-	-	-	-
294,291	300,745	(296,094)	177,229	23,309	(166,731)
<u>3,615,334</u>	<u>3,314,589</u>	<u>3,610,683</u>	<u>3,433,454</u>	<u>3,410,145</u>	<u>3,576,876</u>
<u>\$ 3,909,625</u>	<u>\$ 3,615,334</u>	<u>\$ 3,314,589</u>	<u>\$ 3,610,683</u>	<u>\$ 3,433,454</u>	<u>\$ 3,410,145</u>
\$ 224,066	\$ 564,953	\$ 890,621	\$ 633,300	\$ 646,487	\$ 645,054
94.58%	86.49%	78.82%	85.08%	84.15%	84.09%

PAGOSA FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS
Volunteer Pension Plan
Last 10 Fiscal Years

<u>Fiscal Year Ended</u>	<u>Total Pension Liability</u>	<u>Plan's Fiduciary Net Position</u>	<u>Net Pension Liability</u>	<u>Fiduciary Net Position as Percent of Total Pension</u>	<u>Covered Payroll</u>	<u>Pension Liability as a Percent of Covered Payroll</u>
12/31/2015	\$ 4,055,199	\$ 3,410,145	\$ 645,054	84.09%	\$ -	N/A
12/31/2016	\$ 4,079,941	\$ 3,433,454	\$ 646,487	84.15%	\$ -	N/A
12/31/2007	\$ 4,243,983	\$ 3,610,683	\$ 633,300	85.08%	\$ -	N/A
12/31/2018	\$ 4,205,210	\$ 3,314,589	\$ 890,621	78.82%	\$ -	N/A
12/31/2019	\$ 4,180,287	\$ 3,615,334	\$ 564,953	86.49%	\$ -	N/A
12/31/2020	\$ 4,133,691	\$ 3,909,625	\$ (55,094)	94.58%	\$ -	N/A
12/31/2021	\$ 4,115,162	\$ 3,974,985	\$ 140,177	96.59%	\$ -	N/A
12/31/2022	\$ 4,579,304	\$ 3,312,976	\$ 1,266,328	72.35%	\$ -	N/A
12/31/2023	\$ 4,559,156	\$ 3,471,401	\$ 1,087,755	76.14%	\$ -	N/A
12/31/2024	\$ 4,314,830	\$ 3,630,958	\$ 683,872	84.15%	\$ -	N/A

Note: There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report.

PAGOSA FIRE PROTECTION DISTRICT

**SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS
Volunteer Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year Ended</u>	<u>Actuarially determined contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2015	\$ 117,097	\$ 180,431	\$ (63,334)	N/A	N/A
12/31/2016	\$ 120,737	\$ 147,529	\$ (26,792)	N/A	N/A
12/31/2017	\$ 120,816	\$ 159,072	\$ (38,256)	N/A	N/A
12/31/2018	\$ 103,511	\$ 152,741	\$ (49,230)	N/A	N/A
12/31/2019	\$ 149,055	\$ 157,496	\$ (8,441)	N/A	N/A
12/31/2020	\$ 149,055	\$ 215,775	\$ (66,720)	N/A	N/A
12/31/2021	\$ 122,856	\$ 176,539	\$ (53,683)	N/A	N/A
12/31/2022	\$ 122,856	\$ 191,540	\$ (68,684)	N/A	N/A
12/31/2023	\$ 175,207	\$ 198,607	\$ (23,400)	N/A	N/A
12/31/2024	\$ 175,207	\$ 292,570	\$ (117,363)	N/A	N/A

Note: See Note 5 of the Basic Financial Statements for significant methods and assumptions used in calculating the actuarially determined calculations. There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report.

Required Supplementary Information

PAGOSA FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	2024				2023 Actual
	Original Budget	Final Budget	Actual	Variance w/ Final Budget	
REVENUES					
Taxes					
Property Taxes	\$ 4,170,685	\$ 4,170,670	\$ 4,584,964	\$ 414,294	\$ 2,688,046
Specific Ownership Taxes	230,000	260,000	347,165	87,165	294,144
Delinquent Taxes, Penalties and Interest	7,000	11,000	16,182	5,182	9,873
Total Taxes	<u>4,407,685</u>	<u>4,441,670</u>	<u>4,948,311</u>	<u>506,641</u>	<u>2,992,063</u>
Intergovernmental					
Grants	2,250	2,250	3,000	750	-
State Matching Contribution	30,596	30,596	30,596	-	-
Total Intergovernmental	<u>32,846</u>	<u>32,846</u>	<u>33,596</u>	<u>750</u>	<u>-</u>
Charges for Services					
Airport Fees	1,020	1,020	1,020	-	1,020
Incident Billing	10,000	10,000	2,353	(7,647)	9,824
Burn Permits	8,500	8,500	7,980	(520)	7,665
Plan Reviews	6,500	6,500	10,132	3,632	8,070
Wildland	500	500	462,381	461,881	292,779
Total Charges for Services	<u>26,520</u>	<u>26,520</u>	<u>483,866</u>	<u>457,346</u>	<u>319,358</u>
Investment Earnings	<u>20,700</u>	<u>30,700</u>	<u>153,564</u>	<u>122,864</u>	<u>16,557</u>
Other Revenues					
Donations	-	-	12,724	12,724	255
Insurance Claims	-	-	2,500	2,500	17,354
Sale of Capital Assets	-	-	4,425	4,425	-
Refunds and Reimbursements	-	-	225	225	-
Miscellaneous Income	-	-	1,000	1,000	19,068
Total Other Revenues	<u>-</u>	<u>-</u>	<u>20,874</u>	<u>20,874</u>	<u>36,677</u>
Total Revenues	<u>4,487,751</u>	<u>4,531,736</u>	<u>5,640,211</u>	<u>1,108,475</u>	<u>3,364,655</u>
EXPENDITURES					
Current:					
Public Safety					
Payroll	1,998,652	1,998,652	2,179,049	(180,397)	1,960,691
Administrative	511,141	484,238	544,433	(60,195)	451,896
Fleet Maintenance	144,900	144,900	92,121	52,779	125,415
Facility Maintenance	48,050	48,050	28,618	19,432	89,817
Training	62,500	62,500	36,984	25,516	28,472
Equipment Maintenance/Replacement	229,050	229,050	187,294	41,756	151,329
Recruitment and Retention	9,250	9,250	9,431	(181)	7,571
Volunteer Pension Benefits	304,933	304,933	294,570	10,363	-
Utilities	54,825	55,825	52,690	3,135	46,311
Total Public Safety (Operations)	<u>3,363,301</u>	<u>3,337,398</u>	<u>3,425,190</u>	<u>(87,792)</u>	<u>2,861,502</u>
Pension Expenses	-	-	-	-	168,011
Capital Outlay	<u>1,270,453</u>	<u>1,189,038</u>	<u>230,116</u>	<u>958,922</u>	<u>162,888</u>
Total Expenditures	<u>4,633,754</u>	<u>4,526,436</u>	<u>3,655,306</u>	<u>871,130</u>	<u>3,192,401</u>
Change in Fund Balance	(146,003)	5,300	1,984,905	1,979,605	172,254
Fund Balance, Beginning	-	-	1,315,735	1,315,735	1,143,481
Fund Balance, Ending	<u>\$ (146,003)</u>	<u>\$ 5,300</u>	<u>\$ 3,300,640</u>	<u>\$ 3,295,340</u>	<u>\$ 1,315,735</u>

See the accompanying Independent Auditor's Report.

Other Supplementary Information

**PAGOSA FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
Budget and Actual - Pension Trust Fund
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)**

	2024				
	Original Budget	Final Budget	Actual	Variance w/ Final Budget	2023 Actual
ADDITIONS:					
Contributions:					
District	\$ 274,377	\$ 274,377	\$ 261,974	\$ (12,403)	\$ 168,011
State	30,596	30,596	30,596	-	30,596
Investment Earnings:					
Interest Paid Pension	362,525	362,525	-	(362,525)	-
Dividends Paid	-	-	18,930	18,930	10,823
Unrealized Fair Market Value	-	-	93,933	93,933	90,531
Less: Investment Fees	-	-	137,361	137,361	222,870
Less: Investment Fees	362,525	362,525	-	(362,525)	(27,496)
Total Additions	<u>1,030,023</u>	<u>1,030,023</u>	<u>542,794</u>	<u>(487,229)</u>	<u>495,335</u>
DEDUCTIONS:					
Pension Benefit Payments	361,789	361,789	342,090	19,699	336,910
Other Administrative	2,815	2,815	-	2,815	-
Actuarial Fees	52,000	52,000	4,500	47,500	-
Total Deductions	<u>416,604</u>	<u>416,604</u>	<u>383,237</u>	<u>33,367</u>	<u>336,910</u>
Change in Fiduciary Net Position	613,419	613,419	159,557	(453,862)	158,425
Net Position, Beginning	<u>3,484,005</u>	<u>3,484,005</u>	<u>3,471,401</u>	<u>(12,604)</u>	<u>3,312,976</u>
Net Position, Ending	<u>\$ 4,097,424</u>	<u>\$ 4,097,424</u>	<u>\$ 3,630,958</u>	<u>\$ (466,466)</u>	<u>\$ 3,471,401</u>

See the accompanying Independent Auditor's Report.