

**POUDRE VALLEY
FIRE PROTECTION DISTRICT
BASIC FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
DECEMBER 31, 2024**



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Board of Directors
Poudre Valley Fire Protection District
Fort Collins, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Poudre Valley Fire Protection District (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Poudre Valley 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 Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, pension schedules, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Rae & Co., CPAs, LLC

Timnath, Colorado
April 22, 2025

**POUDRE VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS**



Poudre Valley Fire Protection District Management's Discussion and Analysis For the Year Ended December 31, 2024

The Poudre Valley Fire Protection District (the "District") offers readers of the District's financial statements an overview and analysis of the financial statements and performance for the year ended December 31, 2024. In addition to this overview and analysis based on currently known facts, decisions, the District encourages readers to consider the information presented in the District's financial statements and required supplementary information.

Background Information

The District was duly formed on April 14, 1950, with five elected Board members. The District entered an Intergovernmental Agreement (IGA) with the City of Fort Collins (City) on December 22, 1981, to form the Poudre Fire Authority (PFA). The rationale behind forming the PFA was that the District and the City desired to consolidate resources to provide fire and rescue services within the collective territorial limits.

The District Board consists of five members elected at-large with two of those members appointed to the PFA Board to represent the District. The PFA Board consists of the two District Board members and two City Council members. These four Board members appoint the fifth Board member to the PFA Board of Directors. The District Board does not provide operational or day-to-day direction to PFA, rather its mission is to provide life and property protection for residents, businesses, and visitors of the District through a shared governance and response model.

The IGA was Amended and Restated on July 15, 2014, to include a Revenue Allocation Formula (RAF) and Support Services provided to PFA by the City. The City funded PFA through a combination of sales and use tax and property tax. The sales and use tax portion were a percentage of the City's base sales and use tax collection illustrated in the RAF. The property tax portion equaled 67.5% of all the City's property tax collections. The District's contribution to PFA included its property tax and specific ownership tax collections less administrative costs.

During 2023, City and PFA staff began discussions to update the IGA, completing an analysis of the support services (and associated costs) provided by each party and the evaluation of the RAF in 2024. The intent of the IGA update was to simplify and clarify obligations of the City and PFA, provide more direct oversight and responsibilities to City and PFA staff, memorialize and adjust for changes to the operating and legislative environments, and provide a timeline and framework for future reconciliations and reviews.

The Second Amended and Restated IGA, including the RAF (Exhibit A) and Support Services provided (Exhibit B), were approved by City Council on September 17, 2024, and the District Board on September 24, 2024, effective January 1, 2025.

A summary of the key changes to the IGA are highlighted below:

General Terms and Conditions:

- General cleanup including legislative driven changes since 2014.
- Added agreement review period of eight years.
- Added the role of IGA Administrators (one each for the City and PFA) with defined responsibilities.
- Supersedes the current, separate Legal Services IGA and incorporates such services into this agreement.
- Adjusted the Fire Chief's expenditure and disposal limits.

Exhibit A – Revenue Allocation Formula:

- Simplified City contribution of Sales and Use tax amounts to 13.235% of undedicated and/or non-legally restricted funds.
- City Property Tax contribution remains at 67.5% of operating mill levy.
- City Contribution is reduced by the net cost of services provided under Exhibit B.
- Sales, Use, and Property Tax budgets will be set as part of the annual appropriation each year.
- Monthly contributions from the City to PFA will be based on actual revenue collections.
- An annual reconciliation of Budget to Actuals will occur at the end of each year. Revenue bands are established to provide a risk sharing cap and floor:
 - Sales Tax: Upper band 3%; Lower band -2%
 - Use Tax: Upper band 6%; Lower band -2%
 - Property Tax: Upper band 2%; Lower band -2%
- District contribution remains at property tax and specific ownership tax collections less administrative costs.
- Annexations of District property into the City shall be reviewed annually with adjustments to the Sales, Use, or Property Tax contributions to ensure no loss of revenue to the Authority.

Exhibit B - Support Services Provided:

- Updated support services provided by the City to the Authority and added Support Services provided by the Authority to the City.
- Provided cost of these support services – the difference between the two is the net cost of services provided.
- Administrators are enabled to adjust the support services provided (and the cost of those services) as business conditions and needs evolve.
- Support Services costs set as part of the annual appropriation each year.
- Included a provision to adjust the cost of these services annually based on a Consumer Price Index.

Financial Overview

The purpose of the District's financial overview is to provide a comprehensive depiction of the District's financial position, to include revenue sources, operating expenses, capital expenditures, and debt obligations.

The District operates as a special purpose governmental program under the laws of the State of Colorado. The financial statements are prepared to account for general government operations.

Accordingly, the basic financial statements include the Statement of Net Position, Statement of Activities, Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. The notes to the financial statements are considered to be an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided.

The District's primary source of income is from collection of property taxes, tax increment financing (TIF), and specific ownership taxes. The District is dependent on property tax classification, market value, and the residential assessment rate (RAR). Variations to property classification, market value, and RAR will directly affect the District's ability to fund the PFA effectively.

Significant Trends Analysis

The District's 2018 ballot measure, approved by the District voters, specifically approved the District adjusting its operating mill levy rate on an annual basis to offset property tax revenue losses resulting from changes in the RAR. At the time of the District's ballot measure, the RAR was 7.2%. Colorado law requires assessors to value all property for property tax purposes on a two-year cycle during odd-numbered years. The 2023 reappraisal reflects what each property was worth on the statutory valuation date of June 30, 2022. In 2022, state lawmakers passed Senate Bill 22-238 (SB22-238), which set the RAR at 6.765% and provided a \$15,000 actual value exemption for residential properties. However, the recent passage of SB23B-001 reduced the RAR even further to 6.7% and increased the \$15,000 actual value exemption to \$55,000.

The District received unanticipated revenue from property tax reimbursement allocation (SB22-238 and SB23B-001) and personal property exemption in the net amount of \$855,715. Higher than projected revenue in interest earned and specific ownership tax were also contributing factors to the increase in net position.

The District also canceled the 2023 Board of Director's General Election and was able to be included with a City contract, for an impact fee nexus study. The reduced cost in 2023 allowed the District to approve a one-time additional contribution to PFA in 2024 in the amount of \$225,000.

- The governmental net position of the District is \$1,734,767, which is an increase from the previous year in the amount of \$890,705.
- Net Assessed Value (NAV) for Larimer and Weld County in 2024 totaled \$937,693,431. This is an increase of \$244,678,491 over the previous year's NAV.
- The mill levy for the District was certified at 11.047 mills for general operations.
- The fund approach for the District is comprised of two (2) funds 1) the General Fund and 2) a fiduciary fund holding Fire Impact Fees on behalf of PFA. The District also provides the Volunteer Fighters' Pension Plan (the "Plan"). The Plan is an agent multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado. As of December 31, 2024, the Plan had five (5) retirees.
- In accordance with GASB 84, the District will have, in addition to the General Fund, a Fiduciary Fund that will present the fiduciary activities in holding the Fire Impact Fees on behalf of PFA as part of the District's Annual Financial Report.
- The District has no long-term debt.
- The District has no bond debt.

Poudre Valley Fire Protection District
Net Position - Government Activities

	2024	2023	Year Comparison +/- change
ASSETS			
Cash and cash equivalents	\$ 1,678,837	\$ 816,067	\$ 862,770
Cash with County Treasurer	61,579	40,334	21,245
Property Tax Receivable	11,675,640	11,867,477	(191,837)
Due from other governments	3,692	-	3,692
Total Assets	13,419,748	12,723,878	695,870
 DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	13,327	14,510	(1,183)
Total Deferred Outflows of Resources	13,327	14,510	(1,183)
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Liabilities			
Accounts Payable	349	788	(439)
Due to other funds	2,194	705	1,489
Net pension liability	14,206	17,290	(3,084)
Total Liabilities	16,749	18,783	(2,034)
Deferred Inflows of Resources			
Unavailable property taxes	11,675,640	11,867,477	(191,837)
Pension related deferred inflows	5,919	8,066	(2,147)
Total Deferred Inflows of Resources	11,681,559	11,875,543	(193,984)
Net Position			
Restricted for Emergencies	405,608	277,134	128,474
Unrestricted	1,329,159	566,928	762,231
Total Net Position	\$ 1,734,767	\$ 844,062	\$ 890,705

Poudre Valley Fire Protection District
Statement of Activities

	2024	2023	Year Comparison +/- Change
EXPENDITURES/EXPENSES			
Current			
Contributions to Poudre Fire Authority	\$ 12,184,276	\$ 8,819,317	\$ 3,364,959
Additional contribution to Poudre Fire Authority	225,000	-	225,000
Collection fees	203,732	148,261	55,471
District management	8,450	7,234	1,216
Travel/conferences	6,704	4,354	2,350
Other	17,708	986	16,722
Legal	35,541	12,565	22,976
Professional services	-	14,670	(14,670)
Audit	6,625	6,475	150
Net pension expense	1,705	-	1,705
Total Expenditures	<u>12,689,741</u>	<u>9,013,862</u>	<u>3,675,879</u>
PROGRAM REVENUES			
Net program expenses	<u>12,689,741</u>	<u>9,013,862</u>	<u>3,675,879</u>
GENERAL REVENUES			
Taxes			
Property taxes	11,212,447	7,494,806	3,717,641
Property taxes-tax increment financing	1,478,604	1,124,049	354,555
Specific ownership taxes	727,133	616,954	110,179
Earnings on investments	153,242	89,772	63,470
Net pension revenue	-	2,659	(2,659)
Other	9,020	9,080	(60)
Total General Revenues	<u>13,580,446</u>	<u>9,337,320</u>	<u>4,243,126</u>
Changes in net position	890,705	323,458	567,247
Net position			
Beginning of the year	<u>844,062</u>	<u>520,604</u>	<u>323,458</u>
End of the year	<u>\$ 1,734,767</u>	<u>\$ 844,062</u>	<u>\$ 890,705</u>

Overall Financial Position and Results of the Operations/Liquidity and Capital Management

The District will annually contribute to the funding of PFA the revenue from the following sources:

1. The District shall annually certify a mill levy (minimum 10.595 mills) pursuant to state law, and 100% of the mill levy revenue, less reasonable administrative expenses for the operation of the District, plus specific ownership tax, shall be contributed to the funding of the Authority for any authorized purpose.
2. The District has intergovernmental agreements with Larimer County and the Town of Timnath for the assessment, collection, and remittance of emergency services

impact fees on new development that is located within: a.) both the unincorporated portion of the County and the District, or that in the future becomes located within the unincorporated portion of the County and the District; and b.) the incorporated portion of the Town of Timnath and the District, or that in the future becomes located within the incorporated portion of the Town and the District.

3. The District impact fees are established to defray the impacts directly related to development within the District. The District, via resolution, will transfer District impact fees to the Authority on an as needed or requested basis.

The District collects property tax revenues from residents within the District and remits quarterly payments for its portion of budgeted expenses to PFA totaling \$12,409,276 (including the \$225,000 one-time contribution) in 2024. The District remains responsible for funding the retirement benefits of retired volunteer firefighters who are participants in the Volunteer Firefighters' Pension Plan, arising from the District's separate operations.

Government Finance Officers Association (GFOA) recommends two months of general fund revenues or expenditures be maintained in unreserved fund balance. The District is a "non-employer firm" and does not provide operational or day-to-day direction to PFA. The District does provide governance and funding resources to PFA. Although GFOA recommends two months of general fund revenues and expenditures, the District Board will ultimately be responsible for deciding fund balance through the budget process. The District Board approved a one-time contribution to PFA for 2025 in the amount of \$1 million.

Since PFA appoints its own management, approves its own budget, and issues separate financial statements, it is considered a joint venture with an on-going financial responsibility separate from the District.

Compliance with Regulations

As a result of the November 5, 1996, election, the District waived the statutory property tax revenue limit, Annual Levy Law, C.R.S. 29-1-301, et seq.

At the April 26, 2021, District Board meeting, the Board adopted Resolution 2021-02 Adopting Fire Impact Fees as a funding mechanism to pay for capital improvements that are necessary to serve new development within the boundaries of the District. Colorado law requires local governments to "quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee or development charge at a level no greater than necessary to defray such impacts directly related to proposed development." The District approved the 2023 Fire Impact Fee Nexus Study on November 16, 2023 updating Fire Impact Fees.

Fire Impact Fees are considered a fiduciary activity, per GASB 84, which establishes criteria for identifying fiduciary activities of all state and local governments based on (1) the control of assets (Fire Impact Fees) by a government organization (the District) and (2) the beneficiary (PFA) with whom the District has a fiduciary relationship.

In accordance with GASB 84, the District will have, in addition to the General Fund, a Fiduciary Fund that will present the fiduciary activities in holding the Fire Impact Fees on behalf of PFA as part of the District's Annual Financial Report.

The District Board, controlling the Fire Impact fiduciary activity, entered into an IGA with PFA on September 26, 2022 as a mechanism for PFA to request the fiduciary funds for new capital facilities development.

Conditions Impacting Future Operations/Subsequent Events/ Risk Assessment

The District has no employees, owns no facilities, and owns no equipment. PFA employs all personnel and owns the facilities and equipment. The direction, control, and management of all facilities, personnel, and apparatus are under control of the PFA; therefore, the risk to the District is minimal.

However, regulatory/legislative changes, economic downturns, and the Mulberry Corridor Annexation are considered key risks that could materially impact the District's financial stability.

The District is dependent upon continued property tax collections and related property values. Variations to the mill levy or increase/decrease in property valuation will directly affect the District's ability to fund the PFA. In order to keep the property tax collected at a constant level and avoid significant tax revenue losses, the District floats its mill levy in conjunction with a change in the RAR, set by the State. In 2023 the legislative session heavily focused on property tax and property assessments. SB22-238 and SB23B-001, changed the statewide assessment rates for tax years 2023 and 2024. Legislative changes and pressures threaten the District's ability to adequately fund PFA to provide fire and rescue services.

In 2002, the City of Fort Collins created an East Mulberry Corridor Plan intended to develop a plan for annexation of the East Mulberry enclave into the City of Fort Collins. The potential impact to the District could be significant with property tax revenue losses (for 2024) near 21% of the District's revenue. Staff continues to monitor and engage City Officials regarding the annexation processes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information presented in this report, or to request additional information, should be sent to the District Board Coordinator at the following address:

Patti Forsythe, District Board Coordinator
Patti.Forsythe@poudre-fire.org
102 Remington Steet
Fort Collins, Colorado 80524

BASIC FINANCIAL STATEMENTS

POUDRE VALLEY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION
DECEMBER 31, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 1,678,837	\$ -	\$ 1,678,837
Cash with County Treasurer	61,579	-	61,579
Property tax receivable	11,675,640	-	11,675,640
Due from other governments	3,692	-	3,692
Total Assets	13,419,748	-	13,419,748
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	-	13,327	13,327
Total deferred outflows of resources	-	13,327	13,327
Total Assets, Deferred Outflows of Resources and Fund Balance	\$ 13,419,748		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/NET POSITION			
<u>Liabilities</u>			
Accounts payable	\$ 349	\$ -	\$ 349
Due to the Capital Impact Fees Fund	2,194	-	2,194
Net pension liability	-	14,206	14,206
Total Liabilities	2,543	14,206	16,749
<u>Deferred Inflows of Resources</u>			
Unavailable property taxes	11,675,640	-	11,675,640
Pension related deferred inflows	-	5,919	5,919
Total Deferred Inflows of Resources	11,675,640	5,919	11,681,559
<u>Fund Balance</u>			
Restricted			
Emergencies	405,608	(405,608)	
Assigned			
For subsequent years expenditures	1,039,378	(1,039,378)	
Unassigned	296,579	(296,579)	
Total Fund Balance	1,741,565	(1,741,565)	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 13,419,748		
<u>Net Position</u>			
Restricted for			
Emergencies		405,608	405,608
Unrestricted		1,329,159	1,329,159
Total Net Position		\$ 1,734,767	\$ 1,734,767

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

POUDRE VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES			
Current			
Contributions to Poudre Fire Authority	\$ 12,184,276	\$ -	\$ 12,184,276
Additional contributions to Poudre Fire Authority	225,000	-	225,000
Collection fees	203,732	-	203,732
District management	9,688	-	9,688
Travel/conferences	5,466	-	5,466
Contributions to Volunteer Pension Plan	5,753	(5,753)	-
Other	17,708	-	17,708
Legal	35,541	-	35,541
Audit	6,625	-	6,625
Net pension expense	-	1,705	1,705
Total expenditures	12,693,789	(4,048)	12,689,741
PROGRAM REVENUES			
	-	-	-
Net program expense	12,693,789	(4,048)	12,689,741
GENERAL REVENUES			
Taxes			
Property taxes	11,212,447	-	11,212,447
Property taxes-tax increment financing	1,478,604	-	1,478,604
Specific ownership taxes	727,133	-	727,133
Earnings on investments	153,242	-	153,242
Other	9,020	-	9,020
Total General Revenues	13,580,446	-	13,580,446
Excess of revenues over (under) expenditures	886,657	(886,657)	-
Changes in net position	-	(890,705)	890,705
Fund balances/Net position			
Beginning of the year	854,908	-	844,062
End of the year	\$ 1,741,565	\$ -	\$ 1,734,767

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

**POUDRE VALLEY FIRE PROTECTION DISTRICT
 FIDUCIARY FUND
 STATEMENT OF FIDUCIARY NET POSITION
 DECEMBER 31, 2024**

	<u>Custodial Funds</u>
	<u>Capital Impact Fees</u>
ASSETS	
Cash and investments	\$ 984,415
Due from the General Fund	2,194
Due from other governments	<u>26,123</u>
Total assets	<u>1,012,732</u>
 NET POSITION	
Restricted for individuals, organizations and other governments	<u>1,012,732</u>
Total net position	<u><u>\$ 1,012,732</u></u>

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

**FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2024**

	Custodial Funds
	Capital Impact Fees
ADDITIONS	
Impact fee collections for another government	\$ 307,145
Interest	39,944
Total additions	347,089
DEDUCTIONS	
General government	
Collection fees	10,449
Other	90
Total deductions	10,539
Net Increase in Fiduciary Net Position	336,550
Net position-beginning	676,182
Net position-ending	\$ 1,012,732

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

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Poudre Valley Fire Protection District (District) is an independent local governmental unit organized under the laws of the State of Colorado and provides fire protection rescue services within the boundaries of the District in both Larimer and Weld Counties, Colorado. During 1981 the District and the City of Fort Collins, Colorado (the City) formed the Poudre Fire Authority (the Authority) as a local government to facilitate the provision of services. The Authority appoints its own management and approves its own budget and is considered a joint venture. A five-member Board of Directors governs the District. The District's Board of Directors appoints two members, two members are appointed by the City of Fort Collins' City Council, and the final member is appointed by the other four members. During 2024, the District entered into a Second Amended and Restated IGA (IGA) with the City of Fort Collins. This IGA is effective January 1, 2025. Of the Authority's adopted 2024 operating budget, the District and the City provided approximately 18% and 78% of the Authority's total budgeted revenues, respectively. The Authority's adopted 2025 General Fund budget projects an increase in net fund balance of approximately \$1,063,000 and ending fund balance of \$17.3 million dollars. The financial information for the Authority can be found at <https://www.poudre-fire.org/about-us/annual-reports>.

The District also provides retirement benefits to members of the Volunteer Pension Plan. The District has no employees. Authority staff perform all administrative and management duties. The District also began collecting capital impact fees for the Authority. Those amounts are reported in a fiduciary fund.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. As required by generally accepted governmental accounting principles, the financial statements of the reporting entity include those of the District (the primary government) which has no component units. The District does not exercise oversight responsibility over any other entity, nor is the District a component of any other governmental entity.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for state and local governments in the United States. The following is a summary of the more significant policies.

Government-wide and fund financial statements

The government-wide financial statements (i.e., statement of net position column and the statement of activities column) report information on all of the non-fiduciary activities of the District.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position column on the governmental fund balance sheet/statement of net position and the statement of activities column on the statement of governmental fund revenues, expenditures, and changes in fund balance/statement of activities reflects all financial resources of the primary government. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are 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 requirements of a particular function or segment. For the year ended December 31, 2024, the District has no program revenues. All revenues, such as taxes and investment earnings are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental fund:

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

The District also reports one fiduciary fund, a custodial fund which collects and retains capital impact fees until requested by the member governments and the expenditures are approved by the District's Board of Directors.

Measurement focus, basis of accounting, and financial statement presentation

The statement of net position column on the governmental fund balance sheet/statement of net position and the statement of activities column on the statement of governmental fund revenues, expenditures, and changes in fund balance/statement of activities, along with the fiduciary fund statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental funds column on the governmental fund balance sheet/statement of net position and the statement of governmental revenues, expenditures, and changes in fund balance/statement of activities are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The District has determined that expenditure-driven grants should be recognized as soon as all eligibility criteria have been met.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Revenue, for expenditure-driven grants, is recognized in the current period if the reimbursement is anticipated to be received within one year. Property taxes, specific ownership taxes, grants and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures are recorded only when payment is due.

Fund accounting

The accounts of the District are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of resources, fund balance or net position, revenues and expenditures or expenses as appropriate. The various funds are summarized by type within the financial statements.

Governmental funds

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

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments – The District’s cash and cash equivalents are considered to be demand deposits and short-term investments with original maturities of three months or less.

Investments are stated at fair value with the exception of the local government investment pools. Local government investment pools are reported at net asset value.

The District follows State statutes which allow the following investments:

- 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

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2024, all receivables are expected to be collected.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources include certain amounts related to the District's Volunteer Pension Plan which are to be amortized and recognized as revenue or expense in future periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, 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. Deferred inflows of resources include property taxes earned but levied for a subsequent period and certain amounts related to the District's defined benefit pension plan which are to be amortized and recognized as revenue or expense in future periods.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

Fund Balances – Fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form (i.e., inventories or prepaid items) or because they are legally or contractually required to be maintained intact. At December 31, 2024, the District had no nonspendable amounts.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2024, the District had \$405,608 restricted for emergencies as required by TABOR.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the District's Board of Directors (Board). The Board is the highest level of decision-making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2024, the District had no committed fund balance.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. At December 31, 2024, the District had assigned funds for 2025 budgeted appropriations in excess of revenues totaling \$1,039,378. Included in these budgeted appropriations is a contribution to the Authority of prior year cost savings of \$1,000,000.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

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

Property taxes

Property taxes are levied by December 15, on assessed valuation as of December 10 of each year, and attach as an enforceable lien on January 1 of the following year. Taxes are due in full by April 30, or in two installments by February 28, and June 15. Taxes become delinquent after those dates and are subject to interest charges. In addition, delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November.

Property owners within the boundaries of the District have been assessed \$11,675,640 in property taxes for 2025. This amount includes the tax increment financing from the Town of Timnath in the amount of \$1,595,042.

Property taxes are recognized in the year for which they are levied to support operations and must also be measurable and available. Since these taxes are levied for operations during 2025, property taxes are recorded as a receivable which is offset by deferred inflows of resources. Taxes are collected and remitted monthly to the District by the Treasurer's Offices of Larimer and Weld Counties.

Revenues – Exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the District receives value without directly giving value in return, include grants and donations. On an accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Budgets

In accordance with the Colorado Budget Law, the Board holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The Board can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. A budget is legally adopted for the General Fund on a basis consistent with U.S. generally accepted accounting principles. Prior to December 31, the budget is legally enacted through passage of a resolution.

District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of the General Fund must be approved by the Board.

The Custodial Fund does not present a budget to actual statement. After consultation with the State of Colorado and GASB, management believes that there is no requirement for the Board to adopt a custodial fund budget.

Pensions

The District contributes to a defined benefit plan, the Volunteer Pension Plan, to provide retirement income for those individuals. The Plan is an agent multiple employer plan affiliated with the Fire and Police Pension Association of Colorado (FPPA) who administers the plan and provides investment services for the Plan. For purposes of measuring the net pension liability, deferred inflows and outflows of resources related to the plan, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, based on the criteria set out by GASB.

Tax, spending, and debt limitations

In November, 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (TABOR) which has several limitations, including revenue increases, spending abilities, and other specific requirements of state and local government. In November 1996, the District's voters approved removal of the revenue limits for the District. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance.

The State Constitution also requires local governments to establish emergency reserves equal to at least 3% of fiscal year spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic conditions, revenue shortfalls, or salary and benefit increases. As discussed above, the District has recorded \$405,608 of restricted net position for emergencies at December 31, 2024.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Statement of net position	\$ 1,678,837
Statement of fiduciary net position	<u>984,415</u>
Total statements of net position	\$ <u>2,663,252</u>

A summary of deposits and investments at December 31, 2024, follows:

Cash deposits	\$ 1,455,157
Investments	<u>1,208,095</u>
Total cash and investments	\$ <u>2,663,252</u>

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 the District. The Colorado Public Deposit Protection Act (PDPA) requires all units of local government to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution 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. At December 31, 2024, the carrying amount and bank balance of the District’s deposits was \$1,455,157. Of this amount, \$275,620 was covered by FDIC insurance and \$1,179,537 was covered by the PDPA.

The District does have an investment policy. Items not specifically covered in the policy follow Colorado Revised Statutes.

Investments

The District invests funds in two Colorado local government investment pools, the Colorado Local Government Liquid Asset Trust (“COLOTRUST”) and Colorado Surplus Asset Fund Trust (CSAFE). These are investment vehicles established for local government entities in Colorado to pool surplus funds. The State securities commission administers and enforces all state statutes governing public trust pools.

The pool, COLOTRUST Plus+, operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST Plus+ does not have any unfunded commitments, redemption restrictions or redemption notice periods. The pool, CSAFE Colorado Core, also operates somewhat similarly to a money market, but is limited to only three withdrawals per month with a prior notice of one business day and is managed to a per share value of \$2.00. The designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. All securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST Plus+'s investments consist of U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. CSAFE Colorado Core's investments include highly rated commercial paper, Colorado Depositories in which the deposits are collateralized under the PDPA, and other Colorado local government investment pools inclusive of other funds offered by the Trust. At December 31, 2024, approximately 21% of Colorado Core was invested in the CSAFE Cash local government investment pool.

CSAFE Colorado Core is rated AA Af/S1 by Fitch. The S1 rating indicates a very low sensitivity to risk. The AA Af rating is the highest fund credit rating from Fitch. COLOTRUST Plus+ is rated AA Am by S & P Global Ratings. This is also the highest fund credit rating from S & P Global Ratings.

Interest Rate Risk – The District has interest rate risk related to its investments in COLOTRUST and CSAFE. As of December 31, 2024, the District had the following investment:

	Weighted Average Maturity	Net Asset Value
COLOTRUST Plus+	41 days to reset 85 days to maturity	\$ <u>348,942</u>
CSAFE Colorado Core	34 days weighted average maturity 111 days weighted average life	\$ <u>859,153</u>

Concentration of Credit Risk - The District places no limit on the amount that may be invested in any one issuer. However, historically, the District's investments have been in local government investment pools.

Credit Risk – The District is required to comply with State of Colorado (State) statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk.

Fair Value Hierarchy The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. As described above, the local government investment pools, COLOTRUST and CSAFE are measured at net asset value therefore no categorization of fair value is required.

NOTE 3 - PENSION PLANS

The District maintains the following separately administered pension plan:

Plan Name	Plan Type
Volunteer Pension Plan	Agent multiple-employer defined benefit

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 - PENSION PLANS (CONTINUED)

As discussed above, the defined benefit plan is administered by FPPA. It is reported in the FPPA annual comprehensive financial report (ACFR). The ACFR of the FPPA may be obtained by contacting FPPA at 7979 E. Tufts Avenue, Suite 900, Denver, CO 80237.

Plan Description- The District has established the Volunteer Pension Plan (the "Plan"), an agent multiple-employer defined benefit pension plan for volunteer firefighters as authorized by the State of Colorado Statute.

Benefits Provided- Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a full benefit monthly pension of \$300. Members who retire with at least ten years of service receive \$15 per month for each year of service. Short Term Disability benefits of \$225 per month are provided for in the plan. Long Term Disability for a line of duty injury is a lifetime benefit of \$450 per month. The Volunteer Pension Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters receive benefits equal to one-half those of a firefighter. The Volunteer Pension Board determines benefits.

Contributions- In addition to contributions from the District, the Volunteer Plan receives contributions from the State of Colorado. For most plans, this amount will not exceed one-half mill of property tax revenue. Since the District currently offers a maximum retirement benefit of \$300 per month, the State will match at the level determined above but no greater than the maximum of the amount necessary to fund a pension of \$300 per month on an actuarially sound basis and the amount of State contributions provided in the prior year. The Plan recognized \$1,805 in State contributions during 2024. This amount is reported as an on-behalf payment. An actuary is used to determine the adequacy of contributions.

Employees Covered by Benefit Terms- Employee membership data related to the Volunteer Plan, as of January 1, 2024 was as follows. The District has five retirees and beneficiaries. The plan is closed to new entrants.

Pension Assets and Liabilities- At December 31, 2024, the Volunteer Plan reported a net pension liability of \$14,206. The net pension 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, 2023.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources- For the year ended December 31, 2024, the District recognized expense of \$1,705 related to the Volunteer Pension Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources from the following sources:

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 - PENSION PLANS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 9,379	\$ 5,919
District contributions subsequent to the measurement date	3,948	-
 Total	 \$ 13,327	 \$ 5,919

The District's contributions subsequent to the measurement date, \$3,948, for the volunteer plan will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ending December 31:</u>	<u>Volunteer Plan</u>
2025	\$ 121
2026	1,135
2027	2,665
2028	(461)
Total	\$ 3,460

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	14 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the retirement plan (RP)-2014 Employee Mortality Tables for males and females projected to 2018 using the mortality projection (MP)-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 - PENSION PLANS (CONTINUED)

Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	1.00%	4.32%
Fixed Income - Rates	10.00%	5.35%
Fixed Income – Credit	5.00%	5.89%
Absolute Return	9.00%	6.39%
Long Short	6.00%	7.27%
Global Equity	35.00%	8.33%
Private Markets	34.00%	10.31%

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 long-term 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)). The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current retirees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability and the resulting Single Discount Rate is 7.00%.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 - PENSION PLANS (CONTINUED)

Changes in Department's Net Pension Liability - Changes in the Department's net pension liability for the Volunteer Plan for the year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liabilities [a] - [b]
<u>Volunteer Plan</u>			
Balance, December 31, 2023	\$ 106,124	\$ 88,834	\$ 17,290
Changes for the year:			
Interest	6,990	-	6,990
Net investment income	-	8,155	(8,155)
Contributions - employer	-	2,005	(2,005)
Benefit payments including refunds of employee contributions	(12,745)	(12,745)	-
Administrative expense		(2,992)	2,992
State of Colorado discretionary payment		2,906	(2,906)
Net changes	(5,755)	(2,671)	(3,084)
Balance, December 31, 2024	\$ 100,369	\$ 86,163	\$ 14,206

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. - The following presents the District's net pension liability or the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

1% Decrease	Current Discount rate	1% Increase
6.00%	7.00%	8.00%
\$ 21,165	\$ 14,206	\$ 8,083

NOTE 7 - INTERFUND ACTIVITY

At December 31, 2024, the General Fund owed the Fiduciary Fund \$2,194 for revenues collected by the General Fund which belong to the Fiduciary Fund. This amount is expected to be repaid in 2025.

NOTE 8 - RELATED PARTY TRANSACTIONS

The District and the City each appoint two members to the Authority's five-person Board of Directors. The fifth member is appointed by the Authority's board.

During the year ended December 31, 2024, the District contributed \$12,409,276 to the Authority. For the fiscal year which ends on December 31, 2025, the District has budgeted total contributions to the Authority of \$12,741,041. As noted above, this amount includes a one-time payment of prior year cost savings of \$1,000,000.

POUDRE VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of, assets; errors or omissions; injuries to employees, or acts of God. The Authority provides risk management to the District, as the District is covered under the Authority's insurance through the Colorado Special Districts Property and Liability Pool. Settled claims have not exceeded this coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

**POUDRE VALLEY FIRE PROTECTION DISTRICT
GENERAL FUND
BUDGET AND ACTUAL
DECEMBER 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>				
Taxes				
Property taxes	\$ 10,358,699	\$ 11,119,528	\$ 11,212,447	\$ 92,919
Property taxes-tax increment financing	1,508,778	1,508,778	1,478,604	(30,174)
Specific ownership taxes	575,000	688,034	727,133	39,099
Earnings on investments	20,000	150,000	153,242	3,242
Other	5,500	6,974	9,020	2,046
Total revenues	<u>12,467,977</u>	<u>13,473,314</u>	<u>13,580,446</u>	<u>107,132</u>
<u>Expenditures/Expenses</u>				
Current				
Contributions to Poudre Fire Authority from:				
Specific ownership taxes	575,000	688,034	727,133	(39,099)
Property taxes-tax increment financing	1,457,751	1,508,778	1,478,604	30,174
Property taxes	10,151,525	10,209,855	10,182,271	27,584
Collection fees property taxes	-	(222,391)	(203,732)	(18,659)
Additional Contribution to Poudre Fire Authority	225,000	225,000	225,000	-
Collection fees for:				
Property taxes	207,174	222,391	203,732	18,659
Property taxes-tax increment	30,176	9,173	-	9,173
District management	148,350	64,600	9,688	54,912
Travel/conferences	-	-	5,466	(5,466)
Contributions to Volunteer Pension Plan				
Plan	4,862	5,753	5,753	-
Other	-	-	17,708	(17,708)
Legal	-	-	35,541	(35,541)
Audit	-	-	6,625	(6,625)
Total expenditures	<u>12,799,838</u>	<u>12,711,193</u>	<u>12,693,789</u>	<u>17,404</u>
Excess of revenues over (under) expenditures	<u>\$ (331,861)</u>	<u>\$ 762,121</u>	886,657	<u>\$ 124,536</u>
Fund balances				
Beginning of the year			<u>854,908</u>	
End of the year			<u>\$ 1,741,565</u>	

POUDRE VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
VOLUNTEER PENSION PLAN
LAST TEN FISCAL YEARS

Financial Reporting Period Ended December 31, Measurement Period Ended December 31,	2024 <u>2023</u>	2023 <u>2022</u>
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest on the Total Pension Liability	6,990	7,851
Benefit Changes	-	-
Difference Between Expected and Actual Experience	-	(6,559)
Assumption Changes	-	(593)
Benefit Payments	(12,745)	(13,245)
Net Change in Total Pension Liability	(5,755)	(12,546)
Total Pension Liability - Beginning	106,124	118,670
Total Pension Liability - Ending	100,369	106,124
Plan Fiduciary Net Position		
Employer Contributions	2,005	3,229
Pension Plan Net Investment Income	8,155	(8,459)
Benefit Payments	(12,745)	(13,245)
Pension Plan Administrative Expenses	(2,992)	(1,818)
State of Colorado Supplemental Discretionary Payment	2,906	1,682
Net Change in Fiduciary Net Position	(2,671)	(18,611)
Plan Fiduciary Net Position - Beginning	88,834	107,445
Plan Fiduciary Net Position - Ending	86,163	88,834
Net Pension Liability/(Asset) - Ending	\$ 14,206	\$ 17,290
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.85%	83.71%
Covered Payroll	N/A	N/A
Net Pension Liability as Percentage of Covered Payroll	N/A	N/A

2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
\$ -	\$ -	\$ -	\$ 630	\$ 630	\$ 629	\$ 629	\$ 238
8,244	8,246	8,691	8,977	9,240	9,376	9,478	7,533
-	-	-	-	-	-	-	66,620
-	6,468	-	6,495	-	(6,449)	-	(37,547)
-	-	-	3,723	-	6,210	-	-
(14,445)	(15,045)	(15,045)	(15,045)	(11,745)	(11,445)	(11,477)	(10,745)
(6,201)	(331)	(6,354)	4,780	(1,875)	(1,679)	(1,370)	26,099
124,871	125,202	131,556	126,776	128,651	130,330	131,700	105,601
118,670	124,871	125,202	131,556	126,776	128,651	130,330	131,700
1,869	2,258	1,826	2,305	4,035	4,035	7,505	644
14,556	12,053	14,234	177	15,012	5,286	1,910	7,126
(14,445)	(15,045)	(15,045)	(15,045)	(11,745)	(11,445)	(11,477)	(10,745)
(2,683)	(1,741)	(2,430)	(1,722)	(2,142)	(435)	(1,296)	(547)
3,675	-	2,075	3,632	3,632	6,755	580	580
2,972	(2,475)	660	(10,653)	8,792	4,196	(2,778)	(2,942)
104,473	106,948	106,288	116,941	108,149	103,953	106,731	109,673
107,445	104,473	106,948	106,288	116,941	108,149	103,953	106,731
\$ 11,225	\$ 20,398	\$ 18,254	\$ 25,268	\$ 9,835	\$ 20,502	\$ 26,377	\$ 24,969
90.54%	83.66%	85.42%	80.79%	92.24%	84.06%	79.76%	81.04%
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**POUDRE VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS
VOLUNTEER PENSION PLAN
LAST TEN FISCAL YEARS**

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2023	\$ 4,911	\$ 4,911	\$ -	N/A	N/A
2022	4,911	4,911	-	N/A	N/A
2021	3,901	5,544	(1,643)	N/A	N/A
2020	2,305	3,901	(1,596)	N/A	N/A
2019	2,305	5,411	(3,106)	N/A	N/A
2018	2,305	5,937	(3,632)	N/A	N/A
2017	2,539	7,667	(5,128)	N/A	N/A
2016	2,539	10,790	(8,251)	N/A	N/A
2015	7,335	8,085	(750)	N/A	N/A
2014	\$ 1,224	\$ 1,224	\$ -	N/A	N/A