



SUNSHINE FIRE PROTECTION DISTRICT

Boulder County, Colorado

FINANCIAL REPORT

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sunshine Fire Protection District
Boulder, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Sunshine Fire Protection District (SFPD), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise SFPD's basic financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sunshine Fire Protection District as of December 31, 2024, and the changes in its financial position and, where applicable, its cash flows 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 the Financial Statements section of our report. We are required to be independent of Sunshine 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 opinion.

Management's Responsibility 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; this includes 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 Sunshine Fire Protection District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunshine Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunshine 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

Management Discussion and Analysis - Unaudited

The Management's Discussion and Analysis on pages 3 through 5 is presented to supplement the basic financial statements and to provide operational, economic and historical context to the financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion or any other form of assurance.

Individual Fund Statements

The Schedule of Revenues, Expenditures, Expenses and Changes in Fund Balance Budget and Actual - for the General Fund on page 14, with related notes on page 15, is presented to supplement the basic financial statements by providing general fund operational results (Non-GAAP Budgetary Basis) for the year.

We have applied certain limited procedures to the information presented on pages 14 - 15, which consisted principally of inquiries of management regarding the methods of measurement and presentation of these individual fund statements; however, we did not audit the information and express no opinion or any other form of assurance on them.



CAHILL & ASSOCIATES, P.C.
January 23, 2025

**SUNSHINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Sunshine Fire Protection District (SFPD) covers approximately four square miles in the foothills west of Boulder, Colorado. The district was established in 1969 with community-donated work and surplus equipment. The district provides protection to a wildland urban interface community in the foothills of the Rocky Mountains. The district currently has two fire stations with thirty active firefighters, EMR/EMT and fire support personnel.

This discussion and analysis of Sunshine Fire Protection District's (SFPD) financial performance provides an overview of SFPD's financial activities for the fiscal year ended December 31, 2024. This section is a summary of financial activities based on currently known facts, decisions, or conditions. The Management's Discussion and Analysis section is an introduction and should be read in conjunction with the financial statements that follow this section.

FINANCIAL HIGHLIGHTS

The net assets of SFPD exceeded the liabilities at December 31, 2024, by \$1,762,002. Of this amount, \$878,655 represents net assets that are invested in capital assets, \$133,576 is restricted for the Community Wildfire Protection Plans Program, \$199,620 is restricted for capital improvements, \$100,000 is restricted for emergencies and \$9,179 is restricted for the Cistern Fund. The remaining \$440,972 is unrestricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Discussion and Analysis is intended to serve as an introduction of SFPD's basic financial statements.

The financial statements of SFPD report information about SFPD using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term information about SFPD's overall financial status. The Statement of General Fund Balance reconciled to the Statement of Net Assets presents information on SFPD's assets and liabilities, with the difference between the two reported as general fund balance and net assets. The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances reconciled to the Changes in Net Assets presents information showing how SFPD's General Fund Balance and Net Assets changed during the year. The basic financial statements can be found on pages 6-8 of this report.

The financial statements also include notes that further discuss information in the statements and provide more detailed data. The notes to the financial statements can be found on pages 9-12. The notes are followed by a section of required and other supplemental information.

**SUNSHINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

FINANCIAL ANALYSIS

For the year ended December 31, 2024, assets exceeded liabilities by \$1,739,885. Firefighting is a capital-intensive enterprise, and approximately 70 percent of the net assets are invested in capital assets. The following is a summary of SFPD's net assets.

	<u>2024</u>
Assets	
Current Assets	\$ 1,102,047
Capital Assets (Net of Depreciation)	<u>878,655</u>
Total Assets	<u>1,980,702</u>
Liabilities	
Current Liabilities	<u>218,700</u>
Net assets	
Unrestricted Net Assets	440,972
Invested in Capital Assets net of Related Debt	878,655
Restricted for Emergencies	100,000
Restricted for Capital Improvements	199,620
Temporarily Restricted for Community Wildfire Protection Plan Program	133,576
Cistern Fund	<u>9,179</u>
Total Net Assets	<u><u>\$ 1,762,002</u></u>

SFPD's General Fund balances increased by \$407,764 in 2024. The following Summary Statement of Revenues, Expenses and Changes in General Fund Balances shows components of the 2024 changes.

Summary Statement of Revenues, Expenses and Changes in Fund balances - General Fund

	<u>2024</u>
Revenues	\$ 1,093,703
Expenditures	<u>(685,939)</u>
Excess of Expenditures Over Revenues	<u><u>\$ 407,764</u></u>

Revenue in 2024 includes \$245,810 for contracted firefighting services provided outside the district; expenditures include \$152,887 in payments to firefighters for these services.

Operating Revenues

As shown below, grants and donations accounted for 54% of total income, while firefighting income from outside the district accounted for 22.5% of total revenue, and 14.6% came from property taxes assessed in 2023 and collected by the county in 2024.

	<u>2024 Amount</u>	<u>Percent of Total</u>
General Property Taxes	\$ 159,296	14.6%
Community Wildfire Protection Plan Property Taxes	70,131	6.4%
Grants/Donations	590,733	54.0%
Investment Earnings	27,398	2.5%
Firefighting Income	245,810	22.5%
CPR Class Tuition and Fees	<u>335</u>	<u>0%</u>
	<u><u>\$ 1,093,703</u></u>	<u><u>100.0%</u></u>

**SUNSHINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

FINANCIAL ANALYSIS (Continued)

	2024 Amount	Percent Of Total
Operating Expenses		
Capital Outlay	\$ 127,967	18.1 %
Firefighting Operations	495,118	72.1 %
Administration	<u>62,854</u>	<u>9.8 %</u>
	<u>\$ 685,939</u>	<u>100.0 %</u>

The District's 2024 expenses relate to fire protection, which includes fire fighting prevention and medical response. In addition to the 2024 depreciation expense and repairs and maintenance expenses the district also made the purchase of a new command vehicle and a UTV for \$126,262. As a service organization providing fire protection, the majority of the expenses are for employee costs, firefighter contract payments, wildland mitigation, insurance and repairs and maintenance. Total expenses include payments of \$37,897 in contract payments to firefighters for firefighting services provided to other districts, as well as \$114,990 in wages related to these services. SFPD acts as an agent for the firefighters and collects funds from other districts for the work performed and then remits these funds to the firefighters providing the services.

Capital Assets

SFPD's investment in capital assets (original cost less accumulated depreciation) as of December 31, 2024 was \$878,655. Capital assets consist of fire trucks, support vehicles, land, buildings, and firefighting equipment. Major capital asset acquisitions totaled \$126,262 during 2024, less depreciation of \$84,921, resulting in a net increase of \$41,341.

	<u>2024</u>
Land, Building and improvements (net)	\$ 244,836
Firefighting and Other Equipment (net)	<u>633,819</u>
Total	<u>\$ 878,655</u>

This year's additions to firefighting equipment was \$121,262 for the purchase of a command vehicle and a UTV vehicle.

Economic Factors and Future Outlook

Property tax income will decrease slightly in 2025. The operating tax mill levy stayed the same at 8.480 mills and the Community Wildfire Protection Plan levy remained at 3.560. The assessed valuation decreased from \$17,861,700 to \$17,393,544. The result of the changes in the valuation will result in an approximate decrease in revenue of \$6,000 in 2025 when compared to 2024.

The District's 2025 budget provides for general property tax revenue of \$147,282 and wildland mitigation tax revenue of \$61,831 based on an operating tax mill levy of 8.480 mills and wildland mitigation mill levy of 3.560 mills.

The District's 2025 budget also provides for grant income and donations of \$15,000 and contract income of \$5,000 from fighting fires outside the district.

In addition to the normal firefighter training, repairing and maintaining fire trucks and firefighting equipment, providing and facilitating fire mitigation, and paying other operating expenses, the District's 2025 budget also includes \$25,000 for capital improvements to the stations and new equipment for operations

BASIC FINANCIAL STATEMENTS

SUNSHINE FIRE PROTECTION DISTRICT
Governmental (General) Fund Balance Sheet and
Statement of Net Assets
December 31, 2024

	Primary Government - 2024		
	General Fund	Adjustments Note A	Statement of Net Assets
ASSETS			
CURRENT ASSETS			
Cash and Equivalents	\$ 724,195	\$ -	\$ 724,195
Payroll Tax Refund Receivable	6,427	-	6,427
Property Taxes Receivable	209,113	-	209,113
Accounts Receivable	162,312	-	162,312
CAPITAL ASSETS, NET OF DEPRECIATION			
Buildings & Improvements	-	244,836	244,836
Equipment	-	633,819	633,819
Total Capital Assets, Net of Depreciation	-	878,655	878,655
TOTAL ASSETS	\$ 1,102,047	\$ 878,655	\$ 1,980,702
LIABILITIES AND FUND BALANCES/NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	\$ 5,600	\$ -	\$ 5,600
Payroll Liabilities	3,987	-	3,987
Deferred Property Tax Revenue	209,113	-	209,113
Total Liabilities	218,700	-	218,700
FUND BALANCES			
Unrestricted Fund Balance	440,972	(440,972)	-
Restricted for Emergencies	100,000	(100,000)	-
Restricted for Capital Improvements	199,620	(199,620)	-
Restricted for Wildfire Mitigation	133,576	(133,576)	-
Cistern Fund Balance	9,179	(9,179)	-
Total Fund Balances	883,347	(883,347)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,102,047		
NET ASSETS			
Unrestricted Net assets		440,972	440,972
Invested in Capital Assets, Net of Related Debt		878,655	878,655
Restricted for Emergencies		100,000	100,000
Restricted for Capital Improvements		199,620	199,620
Restricted for Community Wildfire Protection		133,576	133,576
Cistern Fund Balance		9,179	9,179
Total Net Assets		1,762,002	1,762,002
TOTAL LIABILITIES AND NET ASSETS		\$ 878,655	\$ 1,980,702

See Accompanying Notes to Basic Financial Statements

SUNSHINE FIRE PROTECTION DISTRICT
Statement of Governmental Fund Revenues
Expenditures, and Changes in Fund Balance and
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	Primary Government - 2024		
	General Fund	Adjustments Note B	Statement of Activities
REVENUES			
General Property Taxes	\$ 159,296	\$ -	\$ 159,296
Community Wildfire Protection	70,131	-	70,131
Grants/Donations (Net)	590,733	-	590,733
Investment Income	27,398	-	27,398
Firefighter Income	245,810	-	245,810
CPR Class Tuition and Fees	335	-	335
Total General Revenues	\$ 1,093,703	\$ -	\$ 1,093,703
EXPENDITURES/EXPENSES			
Capital Outlay	127,967	(126,262)	1,705
Depreciation	-	84,921	84,921
Firefighting Operations	495,118	-	495,118
Administration	62,854	-	62,854
Total Expenditures/Expenses	685,939	(41,341)	644,598
REVENUES OVER (UNDER) EXPENDITURES	407,764	(407,764)	-
CHANGE IN NET ASSETS		\$ 449,105	\$ 449,105
FUND BALANCE/NET ASSETS			
Beginning of year	475,583		1,312,897
End of Year	\$ 883,347		\$ 1,762,002

See Accompanying Notes to Basic Financial Statements

**SUNSHINE FIRE PROTECTION DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
RECONCILIATION OF STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES D
TO STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
December 31, 2024 and the Year Then Ended**

**NOTE A
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

GOVERNMENTAL FUND BALANCE - GENERAL FUND	\$ 883,347
Amounts reported in governmental activities in the Statement of Net Assets are adjusted to reflect:	
Capital assets of \$1,765,876 net of accumulated depreciation (\$887,221) are not financial resources and therefore are not reported in the general fund	<u>878,655</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>1,762,002</u>

**NOTE B
RECONCILIATION OF STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS**

EXCESS (DEFICIT) REVENUES OVER EXPENDITURES - GENERAL FUND	\$ 407,764
Amounts reported to arrive at the Statement of Activities are adjusted to reflect:	
Governmental General Fund reports capital outlay and capital lease payments as expenditures. In the statement of activities, the cost of acquired capital assets are recoded as assets and expensed over estimated useful lives as depreciation expense. Payments on capital leases reduce the outstanding balance of the lease obligation. Adjustments are:	
Capital outlays capitalized - Building Improvements and Equipment	126,262
Depreciation expense	<u>(84,921)</u>
CHANGE IN NET ASSETS	\$ <u>449,105</u>

SUNSHINE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Sunshine Fire Protection District (SFPD), is governed pursuant to provisions of the Colorado Special District Act, by a five member Board of Directors. The District's service area is located in the foothills west of Boulder, Colorado. The District was established in 1969 to provide fire protection, rescue, and emergency services to the citizens and property within its boundaries. The District receives a portion of its revenue from taxes assessed on the property within its boundaries.

The District is served by an all volunteer department, which usually varies between thirty and forty members; services provided outside the District are provided by both contracted and employed personnel. The District is the primary special purpose government responsible for all fire protection within its service areas. As a result, all significant activities have been included in the basic financial statements. The District's financial statements represent those of a stand-alone government, as there are no component units.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the District are discussed below.

Basic Financial Statements - Government Statements

The governmental financial statements report information on all activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Revenues include property tax revenues, interest income, and miscellaneous revenues that are used to meet the operational and capital requirements of the function.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property tax revenue, and interest income associated with the current year are considered being susceptible to accrual, and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued): The District reports one major government fund: The General Fund which is used to account for all financial resources of the District. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

Cash and Cash Equivalents

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

Receivables and Deferred Revenue

The District reports unearned deferred revenue in the governmental fund balance sheet. Deferral arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. The District has accrued 2024 property taxes to be collected in 2025 as deferred revenue and a receivable in the accompanying governmental funds balance sheet. (See Property Tax below).

Capital Assets

Capital assets, which include property and equipment are reported in the governmental financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are expensed. Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method.

Estimated useful lives for asset types are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings and Improvements	17-50 years
Firefighting Equipment	10-25 years

Property Tax

Annual property taxes are levied and assessed on property as of January 1 and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property, and collects the property taxes on behalf of the District and remits them to the District on a monthly basis. The District has accrued the 2024 taxes to be collected in 2025 in the accompanying financial statements with a corresponding offset to Deferred Revenue. Property taxes are recognized as revenue in the year in which they are intended to finance operating expenditures.

Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the governmental financial statements of net assets regardless of whether they will be liquidated with current resources or future resources. Obligations that will be paid from governmental funds are reported as a liability in the general fund to the extent that they will be paid with current resources. In general, payments made within thirty days after year-end are considered to have been made with current available financial resources. Long-term obligations against net assets are obligations to be paid by restricted funds or from future revenue.

Use of Estimates

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

NOTE 2 - CASH

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. This risk is mitigated in that the District's deposits are subject to and in accordance with the State of Colorado's Public Deposit Protection Act ("PDPA"). Under this act, all uninsured deposits of public funds are to be fully collateralized. The eligible collateral pledged must be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe by rule and regulation, or may be segregated from the other assets of the eligible public depository and held in its own trust department. At December 31, 2024, all of the District's cash and cash equivalents were either insured by FDIC or collateralized under PDPA.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Balance</u> <u>Jan. 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Land and Buildings	\$ 566,908	\$ -	\$ -	\$ 566,908
Firefighting Equipment	<u>1,072,706</u>	<u>126,262</u>	<u>-</u>	<u>1,198,968</u>
Total General Fixed Assets	1,639,614	126,262	-	1,765,876
Less Accumulated Depreciation	<u>(802,300)</u>	<u>(84,921)</u>	<u>-</u>	<u>(887,221)</u>
NET CAPITAL ASSET	<u>\$ 837,314</u>	<u>\$ 41,341</u>	<u>\$ -</u>	<u>\$ 878,655</u>

The District's policy is to capitalize individual equipment expenditures exceeding \$5,000.

NOTE 4 - TAX SPENDING AND DEBT LIMITATIONS (TABOR COMPLIANCE)

In November 1992, Colorado voters passed an amendment ("TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves. The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

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

The Constitution requires that emergency reserves be established. These reserves must be at least three percent of Fiscal Year Spending. Emergency reserves as of December 31, 2024 total \$100,000.

The District passed a ballot initiative in 1996 which made the District exempt from the provisions of TABOR.

NOTE 5 - 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 covering specific and general risks of loss, including worker's compensation and health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two years. There have been no significant reductions in insurance coverage.

Required Supplementary Information

SUNSHINE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETERY BASIS)
GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
GENERAL REVENUES/RESERVES			
General Revenues			
General Property Taxes	\$ 147,000	\$ 159,296	\$ 12,296
Community Wildfire Protection Plans Property Taxes	61,800	70,131	8,331
Investment Earnings	15,000	27,398	12,398
Firefighter Income	5,000	245,810	240,810
Grants/Donations/Fundraisers	213,900	590,733	376,833
CPR Class Tuition and Fees	1,000	335	(665)
Total General Revenues	<u>443,700</u>	<u>1,093,703</u>	<u>650,003</u>
Budgeted Capital Reserves			
General Fund Balance Reserved for CWPP	71,321	-	(71,321)
General Fund Balance Reserved for Capital Outlay	9,179	-	(9,179)
Total Capital Reserves	<u>80,500</u>	<u>-</u>	<u>(80,500)</u>
Total Revenues and Capital Reserves	524,200	1,093,703	569,503
EXPENDITURES/EXPENSES			
Fire Protection Operations	348,400	495,118	(146,718)
Administrative Services	48,900	62,854	(13,954)
Capital Outlay	78,000	127,967	(49,967)
Total Expenditures/Expenses	<u>475,300</u>	<u>685,939</u>	<u>(210,639)</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ <u>48,900</u>	407,764	\$ <u>358,864</u>
FUND BALANCE, BEGINNING OF YEAR		<u>475,583</u>	
FUND BALANCE, END OF YEAR		\$ <u>883,347</u>	

See Accompanying Note to Required Supplementary Information

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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