TALLAHASSEE FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

AND

REQUIRED SUPPLEMENTARY INFORMATION

WITH

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Tallahassee Fire Protection District
Cañon City, CO

Opinions

We have audited the financial statements of the governmental activities and the general fund of Tallahassee Fire Protection District (District), as of December 31, 2024 and for the year then ended, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the 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 ("GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

CBIZ CPAs P.C.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget (Non-GAAP Basis) and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

CBIZ CPAs P.C.

Colorado Springs, Colorado
September 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The management of the Tallahassee Fire Protection District (District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-Wide Financial Highlights

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $979,052 which represents the ending net position.
- The net position increased by $337,456 from the prior year. Approximately 58% of the net position, $565,795, is available for spending at the District's discretion, as reflected in unrestricted net position.
- The District saw a significant increase in wildland firefighting revenue while aggressively pursuing wildland fire deployments, increasing by $591,051 from the prior year.

Government-Wide Financial Statements

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS – Continued

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund, the General Fund, which is a governmental fund.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of the fund balance as reported in the governmental funds to the change in net position as reported in the government-wide statement of net position has been provided to facilitate the comparison between governmental funds and governmental activities.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position - Two-Year Comparison

	2024	2023	Increase (Decrease)
Assets			
Current Assets	$ 1,009,413	$ 519,291	$ 490,122
Capital Assets, Net of Depreciation	458,272	518,111	(59,839)
Total Assets	$ 1,467,685	$ 1,037,402	$ 430,283
Liabilities			
Accounts Payable and Accrued Liabilities	$ 171,477	$ 68,556	$ 102,921
Lease Payable - Due Within One Year	21,341	20,486	855
Lease Payable - Due in More Than One Year	45,392	66,734	(21,342)
Total Liabilities	$ 238,210	$ 155,776	$ 82,434
Deferred Inflows of Resources			
Unearned Tax Revenue	$ 250,423	$ 240,030	$ 10,393
Net Position			
Net Investment in Capital Assets	$ 380,296	$ 430,891	$ (50,595)
Restricted	32,961	24,033	8,928
Unrestricted	565,795	186,672	379,123
Total Net Position	$ 979,052	$ 641,596	$ 337,456

Current Assets

Current assets increased due to the addition of a significant receivable for wildland fire deployments which have all been received as of the date of the audit report.

Capital Assets (Net of Depreciation)

Capital assets (net of depreciation) decreased due to accumulated depreciation.

Liabilities

Liabilities increased due to an increase in wages payable for wildland fire deployments.

Deferred Inflows of Resources

Unearned Tax Revenue increased due to an increase in the assessed property tax valuation of Fremont County.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Activities

The statement of activities reflects the cost of operations and the charges for services and receipt of grants offsetting those services. The following detail reflects the total cost of services supported by operating revenues and property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal year 2024. The following is a condensed comparative summary of the District's revenues and expenses for the years ended December 31:

General and Program Revenues	2024	2023	Increase (Decrease)
General Property Tax	$ 261,103	$ 206,185	$ 54,918
Specific Ownership Tax	29,515	27,942	1,573
Grants, Donations, and Other	7,037	13,884	(6,847)
Investment Earnings	102	90	12
Gain on Insurance Proceeds	-	4,440	(4,440)
Gain on Sale of Capital Assets	6,513	-	6,513
Wildland Firefighting	1,171,244	580,193	591,051
Total General Revenues	1,475,514	832,734	642,780
Functions/Programs			
Governmental Activities			
Administrative			
Salaries and Benefits	85,052	75,030	10,022
Professional Fees	28,557	13,380	15,177
Office Expenses, Insurance, Miscellaneous	21,829	11,901	9,928
Fire Fighting and Training			
Salaries and Benefits	572,855	338,582	234,273
Fuel, Communications, Training	50,126	59,237	(9,111)
Fire Fighting and Medical Supplies	160,870	164,702	(3,832)
Repairs and Maintenance	101,530	64,154	37,376
Fire Stations and Buildings			
Maintenance, Utilities, Interest	30,986	26,713	4,273
Other	17,914	27,731	(9,817)
Depreciation	68,339	67,425	914
Total Governmental Activities	1,138,058	848,855	289,203
Change in Net Position	337,456	(16,121)	353,577
Net Position - Beginning	641,596	657,717	(16,121)
Net Position - Ending	$ 979,052	$ 641,596	$ 337,456

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Expenses

Expenses increased due to additional wildland firefighting costs.

Revenue

Revenues increased as the District conducted additional wildland firefighting operations.

Financial Analysis

In 2024, revenues increased significantly from an increased operational tempo of wildland firefighting deployments. In 2025, property tax values have been assessed to increase and due to delays in wildland fire reimbursements, the District is expected to participate in fewer wildland fire deployments and anticipate a reduction in related revenue/expenses.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. At the end of the current fiscal year, the District's governmental funds reported an ending fund balance of $587,513 in the general fund**.** Restricted fund balance of $32,961 is not available for new spending because it has been restricted by the Colorado Taxpayer Bill of Rights (TABOR).

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2024, amounted to $391,539 (net accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and vehicles, less liabilities for lease payable. Additional information can be found in Note 3 to the financial statements.

BUDGET ANALYSIS

The District continues to use best practices in managing the finances and assets of the District. The District continues to seek opportunities to enhance the revenue stream through pursuing grants and donations along with additional wildland fire deployments. These opportunities continue to enhance the District's capabilities and service delivery. In 2024, the general fund realized gross revenues of $1,475,514.

BUDGET ANALYSIS - Continued

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

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Tax Revenue	$ 242,718	$ 242,718	$ 290,618	$ 47,900
Grants, Donations, and Other	232,274	232,274	7,037	(225,237)
Investment Earnings	-	-	102	102
Miscellaneous	-	-	6,513	6,513
Wildland Firefighting	80,000	80,000	1,171,244	1,091,244
Total Revenues	554,992	554,992	1,475,514	920,522
Expenditures				
Administrative	143,882	143,882	135,438	8,444
Operations	336,999	336,999	296,873	40,126
TABOR Transfer	14,426	14,426	-	14,426
Capital Outlay	-	-	8,500	(8,500)
Debt Service	-	-	24,320	(24,320)
Deployment Expense	-	458,003	633,575	(175,572)
Total Expenditures	495,307	953,310	1,098,706	(145,396)
Net Change in Fund Balance (Non-GAAP Basis)	$ 59,685	$ (398,318)	$ 376,808	$ 775,126

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

REQUESTS FOR INFORMATION

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

FINANCIAL STATEMENTS

TALLAHASSEE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

		Governmental Activities
Assets		
Cash and Cash Equivalents	$	159,448
Cash Held by County Treasurer		2,977
Property Tax Receivable		250,423
Wildland Fire Receivable		572,011
Prepaid Insurance		24,554
Land		11,243
Capital Assets, Net of Depreciation		447,029
Total Assets	$	1,467,685
Liabilities		
Accounts Payable	$	36,848
Accrued Liabilities		134,629
Lease Payable - Due Within One Year		21,341
Lease Payable - Due in More Than One Year		45,392
Total Liabilities	$	238,210
Deferred Inflows of Resources		
Unearned Tax Revenue	$	250,423
Total Deferred Inflows of Resources	$	250,423
Net Position		
Net Investment in Capital Assets	$	380,296
Restricted		32,961
Unrestricted		565,795
Total Net Position	$	979,052

TALLAHASSEE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net Program Expense (Revenue)
Functions/Programs				
Administration				
Salaries and Benefits	$ 85,052	$ -	$ -	$ 85,052
Professional Fees	28,557	-	-	28,557
Office Expenses	3,381	-	-	3,381
Miscellaneous	4,579	-	-	4,579
Insurance	13,869	-	-	13,869
Total Administration	135,438	-	-	135,438
Firefighting and Training				
Salaries and Benefits	572,855	1,171,244	-	(598,389)
Vehicle Fuel	27,006	-	-	27,006
Training	22,392	-	-	22,392
Communication Equipment	728	-	-	728
Firefighting and Medical Supplies	160,870	-	-	160,870
Repairs and Maintenance	101,530	-	-	101,530
Total Fire Fighting and Training	885,381	1,171,244	-	(285,863)
Fire Stations and Buildings				
Repairs and Maintenance	14,678	-	-	14,678
Utilities	12,475	-	-	12,475
Interest	3,833	-	-	3,833
Other	17,914	-	-	17,914
Depreciation	68,339	-	-	68,339
Total Fire Stations and Buildings	117,239	-	-	117,239
Total Governmental Activities	$ 1,138,058	$ 1,171,244	$ -	(33,186)
	General revenues			
	General Property Tax			261,103
	Specific Ownership Tax			29,515
	Grants, Donations, and Other			7,037
	Investment Earnings			102
	Gain on Sale of Capital Assets			6,513
	Total General Revenues			304,270
	Change in Net Position			337,456
	Net Position - Beginning			641,596
	Net Position - Ending			$ 979,052

See Notes to Financial Statements

TALLAHASSEE FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2024

ASSETS

Assets		
Cash and Cash Equivalents	$	159,448
Cash Held by County Treasurer		2,977
Property Tax Receivable		250,423
Wildland Fire Receivable		572,011
Prepaid Insurance		24,554
Total Assets	$	1,009,413

LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE

Liabilities		
Accounts Payable	$	36,848
Accrued Liabilities		134,629
Total Liabilities		171,477
Deferred Inflow of Resources		
Unearned Tax Revenue		250,423
Total Deferred Inflow of Resources		250,423
Fund Balance		
Nonspendable		24,554
Restricted		32,961
Assigned		64,177
Unassigned		465,821
Total Fund Balance		587,513
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	$	1,009,413

TALLAHASSEE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balance - Governmental Fund	$	587,513
Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.		
Land		11,243
Capital Assets		820,150
Accumulated Depreciation		(373,121)
Leases payable are not due and payable in the current period, and therefore are not reported as liabilities in the funds.		
Capital Lease		(66,733)
Total Net Position - Governmental Activities	$	979,052

TALLAHASSEE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

Revenues	
General Property Tax	$ 261,103
Specific Ownership Tax	29,515
Grants, Donations, and Other	7,037
Investment Earnings	102
Wildland Firefighting	1,171,244
Total Revenues	1,469,001
Expenditures	
Administration	
Salaries and Benefits	85,052
Professional Fees	28,557
Office Expenses	3,381
Miscellaneous	4,579
Insurance	13,869
Capital Outlay	8,500
Debt Service	
Principal	20,487
Interest	3,833
Total Administration	168,258
Firefighting and Training	
Salaries and Benefits	572,855
Vehicle Fuel	27,006
Communications Equipment	728
Training	22,392
Firefighting and Medical Supplies	160,870
Repairs and Maintenance	101,530
Total Firefighting and Training	885,381
Fire Stations and Buildings	
Repairs and Maintenance	14,678
Utilities	12,475
Other	17,914
Total Fire Stations and Buildings	45,067
Total Expenditures	1,098,706
Other Financing Sources	
Gain on Sale of Capital Assets	6,513
Total Other Financing Sources	6,513
Net Change in Fund Balance	376,808
Fund Balance - Beginning	210,705
Fund Balance - Ending	$ 587,513

TALLAHASSEE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Total Net Change in Fund Balance - Governmental Funds	$	376,808
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays.		
Depreciation Expense		(68,339)
Capital Outlay		8,500
The issuance of long-term debt, including capital leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. The detail of capital lease activity follows		
Principal payment on lease		20,487
Change in Net Position - Governmental Activities	$	337,456

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Government-Wide and Fund Financial Statements

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The District reports the following major fund:

Governmental Fund

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

A. Budgets are required by State law for all funds. By October 15, the District Manager submits to the District's Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end. Prior to December 31, the budget is adopted by formal resolution.

B. Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.

C. Expenditures may not legally exceed appropriations at the fund level.

D. Revisions that alter the total expenditures of any fund must be approved by the District's Board of Directors.

E. Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District's Board of Directors.

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

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Position Classifications

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

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

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

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

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

Fund balance descriptions are presented below:

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

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

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

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

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

As of December 31, 2024, the District had nonspendable, restricted, assigned, and unassigned fund balances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements - For 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Adoption of this new standard had no material impact on the District's financial statements.

NOTE 1 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits - The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of bank failure the District's deposits will not be returned to it. The District does not currently have a policy related to custodial credit risk. As of December 31, 2024, the District did not have any funds exposed to credit risk.

NOTE 2 – ACCOUNTS AND PROPERTY TAX RECEIVABLE

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

NOTE 2 – ACCOUNTS AND PROPERTY TAX RECEIVABLE – Continued

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

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2024:

	Balance January 1,	Additions	Dispositions	Transfers	Balance December 31,	Useful Lives
Capital Assets, Not Being Depreciated						
Land	$ -	$ -	$ -	$ 11,243	$ 11,243	Undefined
Capital Assets, Being Depreciated						
Medical Equipment	61,577	-	(7,024)	-	54,553	5 Years
Vehicles	543,425	8,500	-	-	551,925	5-15 Years
Building Improvements	62,306	-	(33,908)	-	28,398	7-15 Years
Building	177,502	-	-	(11,243)	166,259	40 Years
Other	19,015	-	-	-	19,015	7 Years
Total	863,825	8,500	(40,932)	(11,243)	820,150	
Less Accumulated Depreciation:	(345,714)	(68,339)	40,932	-	(373,121)	
Capital Assets, Net	$ 518,111	$ (59,839)	$ -	$ -	$ 458,272	

Depreciation expense for the year ended December 31, 2024 was $68,339.

NOTE 4 – LONG-TERM LIABILITIES

Lease-Purchase Option Agreements – In 2018, the District entered into a $180,000 lease purchase agreement for the purchase of a Ferrara Freightliner wildland firetruck. The lease-purchase agreement requires the annual appropriation of funds sufficient to cover the debt service payments. The terms of the lease stipulate an interest rate of 4% with nine years of annual payments.

The lease purchase agreement obtained a right of first lien on the asset, including any improvements. The district has agreed to maintain appropriate liability coverage for the asset purchased and to maintain the assets in good repair. The District is in compliance with all reporting requirements and covenanted terms of the agreement as of December 31, 2024.

Description	Beginning Balance	Additions	Payments	Ending Balance	Portion Due Within One Year
Freightliner Firetruck	$ 87,220	$ -	$ (20,487)	$ 66,733	$ 21,341

NOTE 4 – LONG-TERM LIABILITIES – Continued

The following is a summary of the future maturities for the lease purchase agreement:

Year	Principal	Interest	Total
2025	$ 21,341	$ 2,786	$ 24,127
2026	22,232	1,895	24,127
2027	23,160	967	24,127
	$ 66,733	$ 5,647	$ 72,380

As of December 31, 2024 the underlying lease asset had a total cost of $190,000 and accumulated depreciation of $76,000.

NOTE 5 – NET POSITION AND FUND BALANCES

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, otherwise known as the Taxpayer Bill of Rights (TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. $32,961 is restricted in the General Fund and Net Position at December 31, 2024 in accordance with TABOR.

NOTE 6 – RISK OF LOSS

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

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 29, 2025, the date which the financial statements were available to be released.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

TALLAHASSEE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE,
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

	Budgeted Amounts		Actual Budgetary	Variance with Final Budget Favorable
	Original	Final	Basis	(Unfavorable)
Revenues				
Tax Revenue	$ 242,718	$ 242,718	$ 290,618	$ 47,900
Grants, Donations, and Other	232,274	232,274	7,037	(225,237)
Investment Earnings	-	-	102	102
Miscellaneous	-	-	6,513	6,513
Wildland Firefighting	80,000	80,000	1,171,244	1,091,244
Total Revenues	554,992	554,992	1,475,514	920,522
Expenditures				
Administrative	143,882	143,882	135,438	8,444
Operations	336,999	336,999	296,873	40,126
TABOR Transfer	14,426	14,426	-	14,426
Capital Outlay	-	-	8,500	(8,500)
Debt Service	-	-	24,320	(24,320)
Deployment Expense	-	458,003	633,575	(175,572)
Total Expenditures	495,307	953,310	1,098,706	(145,396)
Net Change in Fund Balance (Non-GAAP Basis)	$ 59,685	$ (398,318)	376,808	$ 775,126
To Reconcile Net Income to GAAP Basis				
Debt Service Principal			20,487	
Depreciation			(68,339)	
Capital Outlay			8,500	
Change in Net Position			$ 337,456	

See independent auditors' report and notes to required supplementary information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

BUDGETARY INFORMATION

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

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

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

The District is required to comply with the Colorado Local Budget Law, which stipulates that expenditures should not exceed the amounts appropriated in the approved budget. For the fiscal year ended December 31, 2024, the District exceeded the appropriated budget by $145,396 due to higher than anticipated expenses for wildland fire deployments, resulting in a violation of the local budget law.