

Annual Comprehensive Financial Report
Fiscal Year Ended December 31, 2024

Upper Pine River Fire Protection District
Bayfield, Colorado

Prepared by the Finance Department

INTRODUCTORY SECTION

Letter of Transmittal I

Organizational Chart VII

District Map..... VIII

Board Member Roster IX

FINANCIAL SECTION

Independent Auditor’s Report 1

Management’s Discussion and Analysis 4

Basic Financial Statements

 Government-Wide Financial Statements

 Statement of Net Position..... 10

 Statement of Activities..... 11

 Fund Financial Statements

 Balance Sheet..... 12

 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 13

 Statement of Revenues, Expenditures, and Changes in Fund Balances 14

 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 15

 Notes to Financial Statements 16

Required Supplementary Information

 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund 38

 Notes to the Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund..... 39

 Schedule of Employer’s Share of Net Pension Liability (Asset) and Schedule of Employer Contributions 40

STATISTICAL SECTION

Introduction to Statistical Section 41

Financial Trends

 Components of Net Position 42

 Changes in Net Position 43

 Fund Balances of Governmental Funds 44

 Changes in Fund Balances of Governmental Funds..... 45

Revenue Capacity

 Assessed Value and Actual Value of Taxable Property 46

 Direct and Overlapping Property Tax Rates..... 47

 Principal Property Taxpayers – La Plata County 48

 General Fund Property Tax Levies and Collections..... 49

Debt Capacity

 Ratios of Outstanding Debt by Type 50

 Ratios of General Bonded Debt Outstanding and Legal Debt Margin 51

 Direct and Overlapping Governmental Activities Debt..... 52

Demographic and Economic Information

 Demographic and Economic Statistics - La Plata County 53

 Principal Employers in La Plata County 54

Upper Pine River Fire Protection District

Table of Contents

December 31, 2024

Operating Information

Full-time Equivalent Employees.....	55
Capital Asset Statistics	56
Operating Indicators by Function	57
Calls by District.....	58



July 15, 2025

To the Members of the Board of Directors and Citizens of the Upper Pine River Fire Protection District:

State law requires that governmental entities publish within six months of the close of each calendar year (unless such deadline is extended) a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Upper Pine River Fire Protection District ("District") for the fiscal year ended December 31, 2024.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability for all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive framework that is designed to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the presentation of the Upper Pine River Fire Protection District's financial statements in conformity with US GAAP. As management, we assert to the best of our knowledge and belief that this financial report is complete and reliable in all material respects.

The Upper Pine River Fire Protection District's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants who regularly audit governmental entities. Eide Bailly's team audits the City of Durango, and the Fire District capitalized on the efficiencies offered by having multiple clients in the region. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Upper Pine River Fire Protection District for the fiscal year ended December 31, 2024, are free of material misstatements. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that Upper Pine River Fire Protection District's financial statements for the year ended December 31, 2024, are fairly presented in conformity with US GAAP. This also marks the return of Upper Pine River Fire Protection District to an Annual Comprehensive Financial Report (ACFR). The ACFR is a set of U.S. government financial standards comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with the audit. The Upper Pine River Fire Protection District's MD&A can be found immediately following the report of the independent auditors.



Profile of the District

Upper Pine River Fire Protection District was chartered September 20, 1974 and confirmed in an election on November 19th, 1974, through merger of the Vallecito Fire Department and the Bayfield Volunteer Fire Departments. The Forest Lake Metro District Fire Department merged into the District May 3rd, 1988. During the 2006 calendar year, the District transitioned from a volunteer to a paid fire department. Upper Pine River Fire had their 50th anniversary this year. The District provides fire suppression (structural, wildland and vehicle), advanced life support emergency medical service/ambulance service to include patient transport, technical rescue (water, ice, low and high angle rope, confined space, vehicle extrication), fire prevention, fire code enforcement, public education, fuels mitigation and hazardous material and disaster response. The Upper Pine River Fire Protection District incorporates nine response areas. The District's main population resides in three suburban density response zones: the Town of Bayfield, the north Vallecito Lake recreation area and the Forest Lakes Metro District, the largest residential subdivision in La Plata County.

The District is accredited for EMS operations through the Committee on Accreditation of Ambulance Services and is the smallest agency in the United States and one of two fire-based organization in the State of Colorado to attain this accreditation. It is a District that responds to all hazards with a focus on customer service.

These services are provided to a full-time population of approximately 17,600 in 292 square miles of eastern La Plata County and Western Archuleta County in southwest Colorado. The District sees a seasonal increase for the summer of up to 30,000 filling vacation homes and campgrounds at Lake Vallecito. The District also has completed annexation of several large ranches in Western Archuleta County along Highway 160 that are within the five-mile insurance service rating of UPRFPD Station 8 to afford homeowners better rates on their property insurance. The District is funded primarily by property taxes, ambulance revenue, Federal and State grants, wildfire deployments and donations from Corporations and private citizens.

Upper Pine River Fire Protection District is governed by a five-member Board elected to four-year terms. The governing Board has fiduciary responsibilities set forth in the IGA. The Board is responsible for hiring the Chief of the Department. The Chief is responsible for carrying out the policies of the Board and for the leadership and supervision of the day-to-day operations of the District.

The annual budget and budget process serves as the foundation for the Upper Pine River Fire Protection District's financial planning and control. Justified budget requests and prioritization of budget items are processed in the District's strategic planning meeting in September of each year. The District Board of Directors holds a public hearing and adopts its final budget no later than December 31st each year.

Appropriations for the budget are adopted on a total fund basis. The Board of Directors may make additional appropriations during the budget year for expenditures required, but not in excess of the amount of actual revenue exceeding budgeted revenues and un-appropriated surplus for the fund. The Chief may transfer any unencumbered appropriation balance or a portion thereof from one classification of expenditure to another within the budget in order to carry out the goals and objectives of the Board of Directors and the District. The District holds reserves in accordance with an annual operating budget with the State of Colorado for potential wildland fire incidents and disasters.



The District staffs three fire stations 24/7 and one station from 8-5 in the summer with seasonal wildland firefighters. The District operates three ambulances front line and strives to meet the NFPA 1720 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective, the specific environment within which the Upper Pine River Fire Protection District operates. The following is a recap of the economic factors impacting the District.

Local Economy

The Pine River Valley geographic area is located in the southwestern part of Colorado in the eastern part of La Plata County. The Town of Bayfield, Town of Ignacio and City of Durango make up the Durango “Micropolitan” Area. The tourism and travel industry are the main economic drivers in LaPlata County including restaurants and special weekend gatherings. The major employers are health care, local government, and retail. The unemployment rate decreased to 2.6% in 2024. In La Plata County, significant increases in housing starts and home sales occurred in 2024 as people migrated from the cities to a more rural area. Statistics as late as 2022 are available from the Region 9 Economic Development division. There continues to be a net migration into LaPlata County of .09%. The median housing price jumped from \$399,000 in 2022 in Bayfield and \$545,000 in LaPlata County. The average annual wage in LaPlata County is \$56,383. The 2020 livable wage in Laplata County is \$86,196 for a family of four. The most recent average wage (2022) in LaPlata County is \$56,383. This places Upper Pine in the medium range for annual wages.

La Plata County

La Plata County is an ideal location for entrepreneurs and innovative businesses that want to grow and succeed. A shortage of highly skilled workers continues along with a shortage of industrial property. Few other communities in the Rocky Mountains can offer businesses the resources that La Plata County can:

- Three colleges- Fort Lewis College, a four-year liberal arts college with a census of approximately 4,000 students, San Juan College in Farmington which provides a variety of technical and liberal arts degrees and Pueblo Community College which provides an educated and skilled workforce.
- Customized workforce training to help your employees keep up with technology and new ideas
- A vibrant and growing regional airport with direct service to major international gateways such as Dallas, Houston, Los Angeles, Denver, and Phoenix.
- High speed internet and 4G wireless service capable of serving cloud technology, high-capacity data transfers, and distributed workforce and operations
- Low property taxes and low employee turnover, which reduce your ongoing operating costs



Fort Lewis College Department of Economics believes that Durango's present economy is primarily based on tourism, now generating approximately 28% of all activity in La Plata County. Oil and gas suffered in 2020 as stricter regulation on new gas wells by the State of Colorado and LaPlata County decreased the revenue. A continued change to the residential assessment rates due to the Colorado Gallagher amendment being removed from the Colorado Constitution continues to generate lower tax revenue for LaPlata area governments. In response to this unstable budget formula the fire District has "De-Bruced" and "De-Gallagherized" in a successful voter initiative in 2018 that took effect in 2019 separating the district's finances from fluctuations on the Front Range and the Denver metro area. The fire District completed a voter initiative in 2023 to transfer the mill levy supporting an expiring bond 2014 to a capital improvement mill levy.

Town of Bayfield

The Town of Bayfield is a statutory Town located in La Plata County within the Upper Pine River Fire Protection District. The town is at an elevation of about 6900 feet, in the beautiful Pine River Valley, with spectacular vistas in all directions. The town is a bedroom community to the Durango "Micropolitan" area offering more economical, lower density, and ranch style living. The average home price in 2023 in Bayfield is \$418,400 as compared to Durango at \$590,000 up 5.5% in 2023. Bayfield and the 20 minutes driving radius have a median household income of \$92,821.

Bayfield is home to approximately 2,700 residents within the town and another 15,600 in the surrounding area the fire District serves. Bayfield acts as the commercial and cultural center for eastern La Plata County. The anchor business establishments are Lewis True Value Hardware, Southwest Agriculture Supply, Outdoorsy RV Park and Gosney, LLC. Bayfield prides itself on our small-town atmosphere and long-standing sense of community, offering a nostalgic 4th of July Parade and an intact main street commerce area known as Mill Street. The Town of Bayfield was incorporated in 1906 when the Bay family and the Schiller family each donated land to create a supply Town near the Pine River. Bayfield was named after Mr. William Bay when he won a coin toss between himself and Mr. Schiller. Had the toss gone the other way, it is said the Town would have been named "Schillerville".

Modern Bayfield residents enjoy an ideal four-season climate that averages some 300 days of sunshine every year, together with moderate temperatures and low humidity, year-round. This ideal recreational climate promotes all sorts of outdoor family activities where any type of enthusiast can find what they're looking for. Whether hiking or biking, hunting or fishing, winter skiing or summer water sports, or exploring the cultural histories of Native American ruins and early Pioneer life, all are available within a short drive, and in almost any direction. The town lies on US Highway 160 which is the main southern transport corridor between the major metropolitan centers in Denver, Pueblo and Colorado Springs. The town is strategically located between Mesa Verde and Great Sand Dunes National Park. For train enthusiasts it is between two of the most visited tourist railroads; the Durango Silverton Narrow Gauge Railroad and the Cumbres and Toltec Railroad.

Bayfield has an excellent school district. The Bayfield School District has long been recognized as one of Colorado's finest. Bayfield High School was one of three high schools in the state to receive a Colorado Governor's Distinguished Improvement Award in 2019. In 2019 the school District completed construction of a new elementary school and improvements to the existing primary school. The library was named the Best Small-town Library in American in 2013. Bayfield also boasts a quaint downtown known as Mill Street that has ball fields for youth and adult sports along with the ever-popular Bayfield Heritage Days held each September.



The Town of Bayfield is serviced by Upper Pine River Fire Station 61 and residents fund the District with a property tax mill levy. Real estate values are increasing within the area and there were numerous new housings starts in 2024 and over 40 new home sites are under construction in a subdivision called Mesa Meadows and the Hauga subdivision was built out in 2024. Housing prices are favorable due to low supply and higher price in Durango. Many of the residents in Bayfield work in the oil and gas industry, public safety, or health care. A significant number of new homes were constructed in Bayfield in 2024 with new businesses opening amid the pandemic.

Vallecito Lake

Vallecito Lake remains a strong tourist destination for fishing and camping. The area did not see an increase in fall revenue typically brought in by hunters. There was a significant uptick in the use of campgrounds and gateways into Federal lands that border Vallecito which resulted in a very good year for provisions and grocery stores. Vallecito Lake is one of the largest and most beautiful bodies of water in Colorado. Vallecito, Spanish for "Little Valley", and ancestral home to many of Colorado's Ute Indians, became the name of the sparkling waters of the lake it surrounded. Located in the Southwestern part of the state just 18 miles from Durango, Vallecito provides a perfect base for enjoying the Four Corners area and its many wonders. The usual influx of Texan and Oklahomans did not occur this year due to fuel prices in 2024. The Vallecito Lake is serviced by Upper Pine River Fire Station 64.

Forest Lakes Metro District

Forest Lakes is the largest subdivision in southwestern Colorado. This community is located in La Plata County, Colorado and covers 1,865 acres with 1,600 parcels and 764 structures. Forest Lakes is a remote rural community nestled in the mountains of La Plata County, north of Bayfield, Colorado. The community borders BLM and state lands on the north, USFS lands to the east, and private lands to the south. Forest Lakes is home to about 1,800 residents with 75 percent year-round residents and the remainder residing in Forest Lakes seasonally, primarily during the summer months. Many residents commute to Bayfield, Ignacio, and Durango for work, and many are retired. Forest Lakes is covered by Upper Pine River Fire Station 65 with full-time staff.

Long-term Financial Planning

The Upper Pine River Fire Protection District Board of Directors developed a Strategic Plan in 2024 to create sustainability and bring an innovative service delivery model to the fire District. As the District has grown or evolved from a volunteer department, sophistication of accounting standard practices reflective of government accounting have been initiated. As part of projecting financial needs, a strategic planning process has been implemented. The District has been very successful in grant acquisitions that have allowed for accelerated increases in the reserve fund to a million dollars striving for a restricted reserve of 33% of the annual operating expenses. The District completed a revised and updated service plan in 2020.



The District operates with certain fees for service events and collects ambulance revenue, response fees and the hazardous materials fees from users of this particular service delivery by the fire District. The District has implemented partnerships and business models to use surplus or excess resources within the District to generate revenue for the fire District. The District has recently purchased equipment that is in high demand for regional wildfire assignments and deployed a business model structuring short term lease for three years or less leaving the remaining life span of the vehicles to generate income on wildland fires. To ensure efficiencies and provide for a long-term vehicle replacement plan, the District has begun to sequester monies for replacement of the fleet and physical plant on an appropriate depreciation schedule to ensure timely and cost effective replace without incurring additional bond initiatives. Surplus vehicles are being sold, and the fleet is being sized for efficiency of operations and reduced maintenance cost. Grants for a new ambulance were used in 2024, covering half the cost. Additional grants for fire station design from the Colorado Department of Local Affairs, the Safe Streets for All, the FEMA Pipeline Grant, Siren Act and a CDHPE workforce development grant supplied a significant amount of unique operational enhancements and free EMT training at Upper Pine.

Excess revenues were moved into the fund balance with the idea that they would be available to fund operations when revenues declined. Austerity measures have continued through 2024 to maintain reserve funds.

Awards and Acknowledgements:

The District received a reaccreditation in 2024 from the Committee on Accreditation of Ambulance Services. Upper Pine River Fire Protection District received The Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report for the fiscal year ended December 31, 2021, and is looking to return to that status in 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

We would like to express our appreciation to Eide Bailly LLP, the firm that serves as the District's external auditors. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service and assistance provided by our accountant, Theresa DiPonio, CPA.

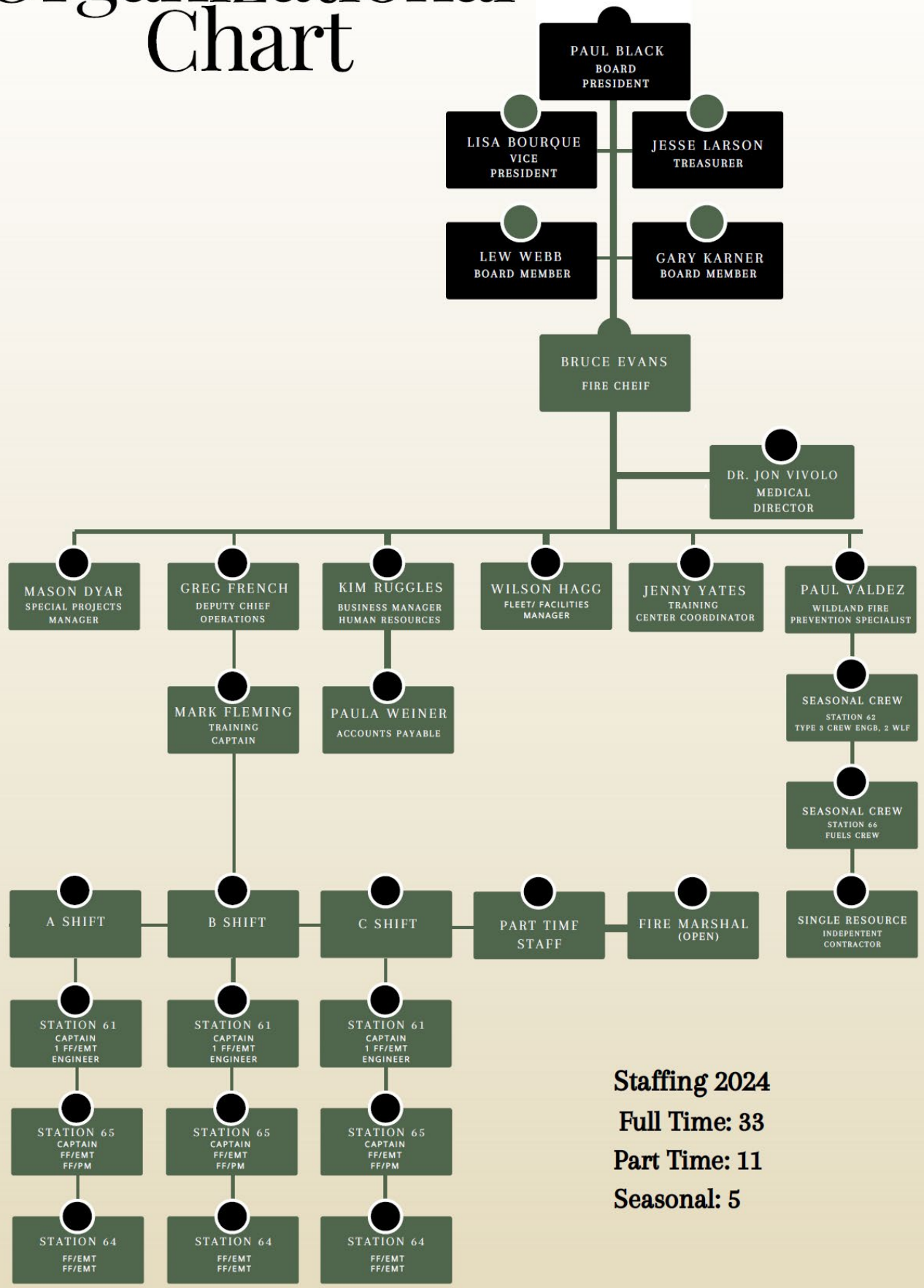
I would like to recognize the District's Board of Directors for their support for the District, its fiscal responsibility and the highest standards of professionalism in the management of the District's finances. Also, to the citizens and stakeholders of the Upper Pine River Fire Protection District for entrusting the judicial use of their tax dollars for the greater good of the community and our corporate donors for their generosity and support. Lastly, to the emergency responders and support staff that brings a level of excellence to rural fire and EMS services delivered in the Pine River Valley.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce Evans".

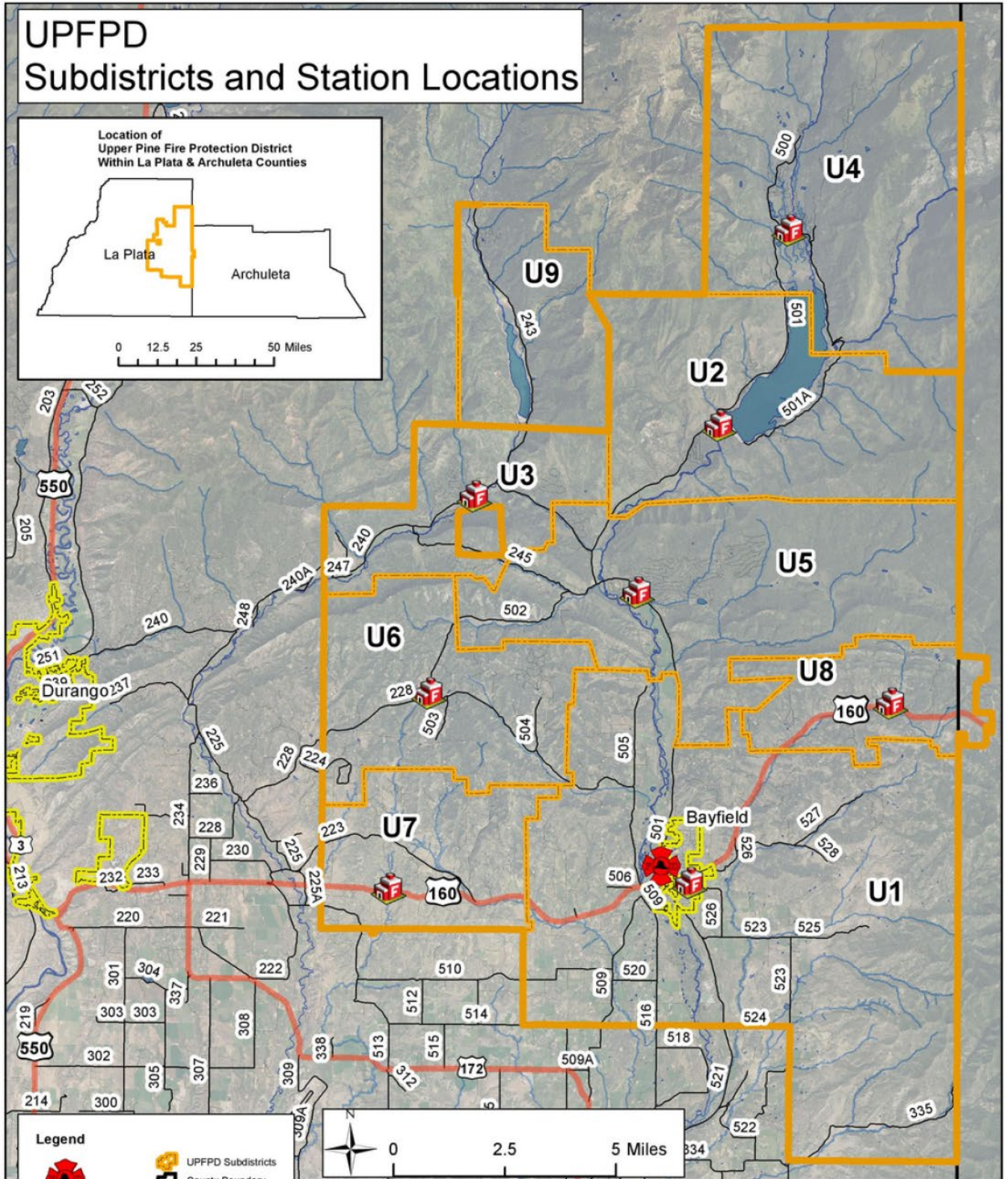
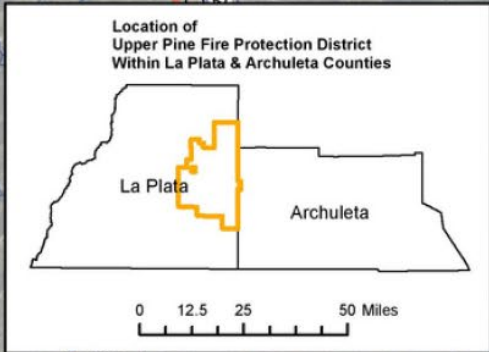
Bruce Evans, MPA, NREMT-P
Fire Chief, Upper Pine River Fire Protection District

Organizational Chart



Staffing 2024
Full Time: 33
Part Time: 11
Seasonal: 5

UPFPD Subdistricts and Station Locations



Legend

- Admin Bldg
- UPFPD Subdistricts
- County Boundary
- City Limits
- Lakes & Rivers
- Stations
- Streams
- UPFPD



UPPER PINE RIVER



La Plata County
Colorado

Geographic Information Systems



Upper Pine River Fire Protection District

515 Sower Drive
Bayfield, CO 81122
P: 970.884.9508
F: 970.884.2444
upperpinefpd.org



2025 Board Member Roster

Paul Black, President
Lisa Bourque, Vice President
Jesse Larson, Treasurer
Lew Webb, Board Member
Gary Karner, Board Member



Independent Auditor's Report

To The Board of Directors
Upper Pine River Fire Protection District
Bayfield, CO

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Upper Pine River 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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 GAAS and *Government 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 GAAS and *Government 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund, the Notes to the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, the Schedule of Employer's Share of Net Pension Liability (Asset) and Schedule of Employer Contributions 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Denver, Colorado
July 15, 2025

As management of Upper Pine River Fire Protection District ("the District"), we offer 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.

FINANCIAL HIGHLIGHTS

- The District's net position at the end of 2024 is \$8,631,076 compared to \$7,156,033 at the end of 2023.
- Total governmental fund revenues for the year ended December 31, 2024, were \$6,881,248 compared to total revenues of \$4,939,709 in 2023, an increase of \$1,941,539 due primarily to increases in property values and development in the Town of Bayfield as well as increases in grant funding.
- The District made use of grant monies and wildland fire reimbursements awarded from state funding sources in the amount of \$1,902,858 for the year ended December 31, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are composed 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 and other supplementary information in addition to the basic financial statements. Comparative data is presented when available.

Government-wide 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 fire protection and emergency medical services for the Town of Bayfield, the Upper Pine River, and Upper Florida River Valleys.

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

The Statement of Activities presents information showing how the government'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 (i.e. earned but not used vacation leave).

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 had two funds in 2024, the General Fund and the Debt Service Fund, which are both 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 net change in fund balance to the change in net position has been provided to facilitate the comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provided additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's government-wide statements, shown below, report the District's net position. A change in net position, which is the difference between all the District's assets, liabilities, and deferred inflow of resources, is one way to measure the District's financial health.

The following table summarizes the District's Net Position at December 31, 2024 and 2023.

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 5,472,605	\$ 4,413,231
Capital assets	6,792,485	6,400,515
Total assets	12,265,090	10,813,746
Deferred Outflows of Resources	1,271,506	1,474,371
Liabilities		
Other liabilities	373,472	140,815
Long-term liabilities	682,145	1,377,549
Total liabilities	1,055,617	1,518,364
Deferred Inflows of Resources	3,849,903	3,613,720
Net position		
Net investment in capital assets	6,335,739	5,380,458
Restricted	144,187	150,115
Unrestricted	2,151,150	1,625,460
Total net position	\$ 8,631,076	\$ 7,156,033

The District's net position increased approximately 21% from a year ago – from \$7,156,033 to \$8,631,076. The increase was mainly due to fixed asset acquisitions, improvements to existing facilities, and increases to revenues.

Of the District's net position of \$8,631,076, \$2,151,150 is unrestricted and \$144,187 is restricted for TABOR. The remaining net position represents the net investment in capital assets.

Upper Pine River Fire Protection District
Management's Discussion and Analysis
December 31, 2024

The statement of activities reflects the cost of operation and the charges for services and receipt of grants offsetting those services. The following table summarizes the District's changes in net position for the years ended December 31, 2024 and 2023.

	Governmental Activities	
	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 472,551	\$ 319,478
Operating grants and contributions	1,902,858	1,144,756
General revenues		
Taxes	3,950,779	3,012,832
Specific ownership tax	325,301	306,502
Investment earnings	10,213	1,008
Miscellaneous	306,546	331,131
Total revenues	<u>6,968,248</u>	<u>5,115,707</u>
Expenses		
Public safety	5,440,168	5,413,663
Interest and fiscal charges	53,037	23,976
Total expenses	<u>5,493,205</u>	<u>5,437,639</u>
Change in net position	1,475,043	(321,932)
Beginning net position	<u>7,156,033</u>	<u>7,477,965</u>
Ending net position	<u>\$ 8,631,076</u>	<u>\$ 7,156,033</u>

The District's total revenues increased \$1,852,541 million, or 36.2%. The total cost of all programs and services increased \$55,566 or 1.0%. Total revenues exceeded expenses by \$1,475,043.

In 2024, the District's property tax revenues increased from the prior year due to an increase in property values and development in the Town of Bayfield.

The District saw an increase of \$758,102 in operating grants and contributions compared to the prior year. The wildland fire program continued to have a positive impact on the finances of the District as serving as a cooperator to local state and national fires provided the District with \$653,882 in additional revenues. Further, the District saw an increase in charges for service of \$153,073 for medical billings.

FINANCIAL ANALYSIS OF THE DISTRICT'S 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 \$1,199,813 in the general fund and an ending funding balance of \$78,723 in the debt service fund. Restricted fund balance of \$144,187 is not available for new spending because it has been reserved by the Taxpayer Bill of Rights (TABOR).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities include land, construction in progress, buildings, equipment, and vehicles. Additional information can be found in Note 5 to the financial statements. A summary of the District's capital assets is presented below (in thousands):

	Governmental Activities	
	2024	2023
Capital assets (net of accumulated depreciation where applicable)		
Land	\$ 1,081,514	\$ 1,081,514
Construction in progress	979,016	149,721
Buildings	3,287,432	3,442,999
Equipment	159,749	200,784
Vehicles	1,284,774	1,525,497
Total capital assets	\$ 6,792,485	\$ 6,400,515

Long-term Debt

At December 31, 2024, long-term debt included financed purchases payable and compensated absences.

A summary of the District's long-term obligations is presented below (in thousands):

	Governmental Activities	
	2024	2023
Bonds payable	\$ -	\$ 380,136
Financed purchases payable	456,746	489,752
Compensated absences	225,399	300,850
Net pension liability	-	206,811
Total long-term liabilities	\$ 682,145	\$ 1,377,549

More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements. More detailed information about the District's net pension liability is presented in Note 7 to the financial statements

ECONOMIC FACTORS, TRENDS, AND FUTURE PLANS

In the General Fund 2024 tax revenue increased overall by 2% due to an increased assessed value of the District. Increases in residential assessed value and new homes helped offset the decrease in oil and gas revenues. As supply drops and the buildable land in the central part of the county becomes expensive, significant increases are anticipated in residential property values in the District with the next property valuation.

Buildable lots in the eastern La Plata County are now at a premium which is expected to send property values up significantly as inventory declines. Three large parcels that could result in as many as 300 additional homes are possible in Mesa Meadows, Homestead and a recently acquired parcel on the eastside of Bayfield that has an existing master plan. As inventory decreases and pricing elevates it is anticipated that growth in housing will shift to the eastern side of the county in Bayfield and Forrest Lakes.

Factors that have allowed us to continue to fully operate with no reduction in service have been our continued response to national wildfires and EMS grants. Those programs brought \$653,882 in gross revenue to the District in 2024.

REQUESTS FOR INFORMATION

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

Upper Pine River Fire Protection District
Attn: Bruce Evans, Fire Chief
515 Sower Drive
Bayfield, CO 81122
Tel: (970)-884-9508
Fax: (970)-884-2444

Upper Pine River Fire Protection District
Statement of Net Position
December 31, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 746,846
Cash held with county treasurer	549,991
Receivables:	
Taxes	3,820,597
Medical billings, net	97,378
Grants	95,113
Other	115,409
Prepaid items	47,271
Capital assets, not being depreciated	2,060,530
Capital assets, net of accumulated depreciation	4,731,955
Total assets	12,265,090
Deferred Outflows of Resources	
Pension plans	1,271,506
Liabilities	
Accounts payable	287,275
Accrued salaries payable	86,197
Long-term liabilities	
Due within one year	148,364
Due in more than one year	533,781
Total liabilities	1,055,617
Deferred Inflows of Resources	
Pension plans	29,306
Related to property taxes	3,820,597
Total deferred inflows of resources	3,849,903
Net Position	
Net investment in capital assets	6,335,739
Restricted for TABOR	144,187
Unrestricted	2,151,150
Total net position	\$ 8,631,076

Upper Pine River Fire Protection District

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
Public safety	\$ 5,440,168	\$ 472,551	\$ 1,902,858	\$ -	\$ (3,064,759)
Interest	53,037	-	-	-	(53,037)
Total primary government	<u>\$ 5,493,205</u>	<u>\$ 472,551</u>	<u>\$ 1,902,858</u>	<u>\$ -</u>	<u>\$ (3,117,796)</u>
General revenues					
Property taxes					3,950,779
Specific ownership tax					325,301
Unrestricted investment earnings					10,213
Miscellaneous					306,546
Total general revenues					<u>4,592,839</u>
Change in net position					1,475,043
Net position - beginning					<u>7,156,033</u>
Net position - ending					<u>\$ 8,631,076</u>

Upper Pine River Fire Protection District

Balance Sheet

December 31, 2024

	General	Debt Service	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 724,212	\$ 22,634	\$ 746,846
Cash held with county treasurer	493,902	56,089	549,991
Receivables:			
Property taxes	3,433,184	387,413	3,820,597
Medical billings, net	97,378	-	97,378
Grants	95,113	-	95,113
Other	115,409	-	115,409
Prepaid items	47,271	-	47,271
Total assets	\$ 5,006,469	\$ 466,136	\$ 5,472,605
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities			
Accounts payable	\$ 287,275	\$ -	\$ 287,275
Accrued payroll	86,197	-	86,197
Total liabilities	373,472	-	373,472
Deferred Inflows of Resources			
Unavailable revenue - property taxes	3,433,184	387,413	3,820,597
Total deferred inflows of resources	3,433,184	387,413	3,820,597
Fund Balance			
Nonspendable	47,271	-	47,271
Restricted	144,187	-	144,187
Assigned	189,110	78,723	267,833
Unassigned	819,245	-	819,245
Total fund balance	1,199,813	78,723	1,278,536
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,006,469	\$ 466,136	\$ 5,472,605

Upper Pine River Fire Protection District
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 December 31, 2024

Total Fund Balances - Governmental Funds	\$ 1,278,536
Amounts reported for governmental activities in the statement of net position are different different because:	
Capital assets net of depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,792,485
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	1,242,200
Long-term liabilities are not due and payable in the current period and, therefore, are current period and, therefore, are not reported in the funds. The details of this difference are as follows:	
Financed purchases payable	(456,746)
Compensated absences	(225,399)
	(682,145)
Net Position of Governmental Activities	\$ 8,631,076

Upper Pine River Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2024

	General	Debt Service	Total Governmental Funds
Revenues			
Property taxes	\$ 3,580,445	\$ 370,334	\$ 3,950,779
Specific ownership taxes	291,853	33,448	325,301
Wildland firefighting	653,882	-	653,882
Other local sources:			
Medical billings, net	472,551	-	472,551
Investment income	10,213	-	10,213
Grants	1,248,976	-	1,248,976
Miscellaneous	219,546	-	219,546
Total revenues	<u>6,477,466</u>	<u>403,782</u>	<u>6,881,248</u>
Expenditures			
Current			
Fire administration	4,020,098	10,886	4,030,984
Fire fighting	85,898	-	85,898
Fire training	45,062	-	45,062
Wildland fires	379,035	-	379,035
Fire communications	27,388	-	27,388
Medical services	345,373	-	345,373
Station and grounds	151,516	-	151,516
Capital outlay	843,615	-	843,615
Debt service			
Principal	33,006	380,136	413,142
Interest and fiscal charges	44,345	10,150	54,495
Total expenditures	<u>5,975,336</u>	<u>401,172</u>	<u>6,376,508</u>
Excess of Revenues over Expenditures	502,130	2,610	504,740
Other Financing Sources			
Sale of capital assets	87,000	-	87,000
Net Change in Fund Balance	589,130	2,610	591,740
Fund Balance, Beginning of Year	610,683	76,113	686,796
Fund Balance, End of Year	<u>\$ 1,199,813</u>	<u>\$ 78,723</u>	<u>\$ 1,278,536</u>

Upper Pine River Fire Protection District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 591,740

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 capital assets is allocated over their estimated useful lives and reported as depreciation expense. The details of the difference are as follows:

Capital outlay	843,615
Depreciation	(451,645)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	75,451
--	--------

In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	1,282
---	-------

In the statement of activities interest expense is recognized as it accrues. In the governmental funds, however, the expenditure is measured by the amount of financial resources used.	1,458
---	-------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payments	380,136
Financed purchase principal payments	33,006

Change in Net Position of Governmental Activities	\$ 1,475,043
---	--------------

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of the Upper Pine River Fire Protection District (“the District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

Reporting Entity

The District was established on November 26, 1974, as a special district as defined by Colorado State Statutes. The District was formed for the purpose of providing fire protection services for the town of Bayfield, Colorado and the Upper Pine River and Upper Florida River valleys. The District has its own elected governing board (“the Board”) and levies a tax on the property within the District for operations.

The District follows US GAAP, including Governmental Accounting Standards Board 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.

Basis of Presentation

The financial statements of the District have been prepared in accordance with US GAAP as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for governmental accounting and financial reporting. The District follows and implements all applicable GASB standards.

Government-Wide and Fund Financial Statements

The District’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities. The government-wide financial statements report information for the District as a whole. Individual funds are not displayed at this financial reporting level.

The statement of net position presents the financial position of the governmental activities of the District as a whole.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Program revenues* include:

- Charges for services, which report fees and other charges to users of the District's services.
- Operating grants and contributions, which finance annual operating activities, including restricted investment income.
- Capital grants and contributions, which fund the acquisition, construction or rehabilitation of capital assets.

These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Taxes and 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 are designed to present financial information of the District at a more detailed level. Fund financial statements are provided for the District's governmental funds.

The accounts of the District are organized 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures, as appropriate. The District reports only governmental funds.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources as fund balance.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long-term obligation principal, interest, and related costs.

The effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the statement of net position, and the statement of activities reports revenues and expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Property taxes are collected in arrears in the State of Colorado. 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 are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Within this measurement focus, only current assets, current liabilities, and certain deferred outflows and inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of the deferred outflow of resources, and in the presentation of expenses versus expenditures. 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, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Property taxes, specific ownership taxes, grants and intergovernmental receipts, and medical billings associated with the current fiscal period are susceptible to accrual and so have been recognized as revenues in the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Cash and Cash Equivalents

The District considers amounts that are readily convertible to known amounts of cash, are not subject to significant risk from changes in interest rates and have a maturity of three months or less from the date of acquisition to be cash equivalents. Deposits include cash in checking accounts and certificates of deposit.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods (consumption method) and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items of the District consist of expenditures related to insurance. Prepaid items are valued at cost and recorded as expenditures in governmental funds when purchased.

Property Tax

Annual property taxes are levied and certified by the County Treasurer in December 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. The County Treasurer collects the property taxes and remits the collections to the District, net of a collection fee, on a monthly basis during the year that follows the levy. Since property taxes are levied in December for the next calendar year’s operations, the total levy is reported as taxes receivable and a deferred inflow of resources.

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historic cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the District, no salvage value is taken into consideration for depreciation purposes.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	20-40 years
Equipment	5-10 years
Vehicles	10-15 years

Land and construction in progress are not depreciated.

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation Leave

Non-exempt, non-shift employees accrue vacation leave as follows, up to a maximum accrual of 320 hours:

<u>Length of Service</u>	<u>Vacation Leave Accrual per Year</u>
Year 0 through Year 1	40 hours/5 days
Year 2 through Year 5	80 hours/10 days
Year 6 through Year 10	120 hours/15 days
Year 11 and After	192 hours/24 days

Full-time exempt employees accrue vacation leave as follows, up to a maximum of 576 hours:

For the first ten years of employment at District, regular full-time exempt employees accrue Vacation Leave at the rate of 120 hours per year. After completion of ten years of employment with District, a regular full-time exempt employee accrues Vacation Leave at the same rate as a full-time non-exempt, non-shift employee.

Non-exempt, shift (24 hour) employees accrue vacation leave as follows, up to a maximum accrual of 480 hours:

<u>Length of Service</u>	<u>Vacation Leave Accrual per Year</u>
Year 0 through Year 1	96 hours/year
Year 2 through Year 5	144 hours/year
Year 6 and After	192 hours/year

Sick Leave

The District provides sick leave in accordance with the Colorado Health Families and Workplace Act (“HFWA”) and other statutory requirements. Employees accrue sick leave as follows, up to a maximum of 480 hours for shift employees and 320 hours for administrative employees:

<u>Employee Classification</u>	<u>Sick Leave Accrual per Year</u>
Non-shift employees	80 hours
Part-time reserve and seasonal employees	1 hour of sick leave per 30 hours, up to a maximum of 80 hours annually
Shift employees	120 hours

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in statement of net position. Debt premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether withheld from the actual debt proceeds received, are reported as expenditures when incurred.

Financed purchase payables represent the District's obligation to make payments arising from purchase agreements. Financed purchase payables are recognized at the agreement commencement date based on the present value of future payments expected to be made during the financing term.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Fire & Police Pension Association Plans (FPPA) and additions to/deductions from FPPA's fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position 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 (expenditure/expense) until that time. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with pension reporting presentation requirements.

In addition to liabilities, the statement of net position and governmental funds balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as a deferred inflow. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available, at both the governmental fund level and the period the taxes are levied at the government-wide reporting level. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with pension reporting presentation requirements.

Net Position

The net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. *Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond proceeds. Net position is reported as *restricted* when there are limitations imposed on its use, either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The remaining balance of the net position is reported as unrestricted.

In order to report net position as restricted and unrestricted in the government-wide financial statements, the District has established a flow of assumption policy. It is the District's policy to use restricted net position first before using unrestricted net position.

Fund Balance

The District reflects fund balances by clearly defined categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

In the fund financial statements, the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or it is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained for specific purposes according to limitations imposed by the Board prior to the end of the fiscal year. The constraint may be established, modified, or rescinded only through formal action of the Board. The District did not report any committed fund balances in the current year.
- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board or other individuals authorized to assign funds to be used for a specific purpose. The District's fund balance policy authorizes the assignment of fund balances. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that fund.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

Fund Balance Flow Assumptions

If both restricted and unrestricted amounts of fund balance are available for use when expenditure is made, it is the District's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and then unassigned.

Interfund Balances

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources (uses) in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid from them are not presented on the government-wide financial statements.

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.

Going Concern

Management assesses the District's ability to continue as a going concern and provides related disclosures in certain circumstances. Substantial doubt about an entity's ability to continue as a going concern exists when relevant conditions and events, considered in the aggregate, indicate that it is probable the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. Management has determined there is not substantial doubt about the District's ability to continue as a going concern.

Implementation of GASB Statement No. 101

As of January 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

Note 2 - Stewardship, Compliance, and Accountability**Budgets and Budgetary Accounting**

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

1. In accordance with the state statutes, prior to October 15, the Fire Chief submits to the Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual amounts for the two preceding years. State statutes require a more detailed line item budget be submitted in summary form. In addition, more detailed line item budgets are included for administrative control.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Budgets for the governmental funds are adopted on a basis consistent with GAAP.
5. Appropriations lapse at the end of each calendar year.
6. The Board may authorize supplemental appropriations during the year.

Expenditures in Excess of Appropriation

General Fund expenditures exceeded budget in the amount of \$773,790.

These excess expenditures were funded by revenues in excess of budget. This could be in violation of Colorado Budget Law. No remedial action is anticipated or required by the District regarding these excess expenditures.

Note 3 - Cash and Cash Equivalents**Deposits**

Colorado State Statutes govern the District's deposit of cash. 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.

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. At December 31, 2024, the District’s cash deposits had a book balance of \$746,846, and a corresponding bank balance of \$811,047. The difference between the book and bank balances is due to outstanding checks and deposits not yet processed by the banks. Of the bank balance, \$272,634 was covered by federal depository insurance and \$788,413 was not held in a PDPA eligible depository.

At December 31, 2024, the District had the following cash and cash equivalents:

Cash on deposit	\$ 746,846
Cash held with County Treasurer	<u>549,991</u>
	<u><u>\$ 1,296,837</u></u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. As of December 31, 2024, the District had \$538,413 of cash deposits exposed to custodial credit risk.

Note 4 - Receivables

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.

Other receivables include amounts due from wildland fire billings and grants. All receivables are current and, therefore, due within one year. Management believes the other receivables are fully collectible, and therefore, an allowance for doubtful accounts is not recorded.

The District estimates that a portion of its medical billing receivables will be uncollectible, and a reserve for the uncollectible medical billings has been established. This reserve is examined annually and adjusted if appropriate. Medical billings are adjusted for contractual allowances at the time of billing. The allowance at December 31, 2024, is \$205,280.

Note 5 - Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 1,081,514	\$ -	\$ -	\$ 1,081,514
Construction in progress	149,721	829,295	-	979,016
Total capital assets, not being depreciated/amortized	1,231,235	829,295	-	2,060,530
Capital assets, being depreciated				
Buildings	5,930,879	-	-	5,930,879
Equipment	1,246,346	14,320	-	1,260,666
Vehicles	6,541,651	-	244,866	6,296,785
Total capital assets, being depreciated	13,718,876	14,320	244,866	13,488,330
Less accumulated depreciation for				
Buildings	2,487,880	155,567	-	2,643,447
Equipment	1,045,562	55,355	-	1,100,917
Vehicles	5,016,154	240,723	244,866	5,012,011
Total accumulated depreciation	8,549,596	451,645	244,866	8,756,375
Total capital assets, being depreciated, net	5,169,280	(437,325)	-	4,731,955
Governmental Activities Capital Assets, Net	\$ 6,400,515	\$ 391,970	\$ -	\$ 6,792,485

Depreciation expense of \$451,645 was charged to the public safety function.

Note 6 - Long-Term Debt

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 380,136	\$ -	\$ 380,136	\$ -	\$ -
Financed purchases payable	489,752	-	33,006	456,746	35,664
Compensated absences*	300,850	-	75,451	225,399	112,700
	\$ 1,170,738	\$ -	\$ 488,593	\$ 682,145	\$ 148,364

*Change in compensated absences is presented as net change

Financed Purchases Payable

Financed purchases payable consists of direct borrowing financing agreements for the purchase of various pieces of machinery and equipment. Financed purchases payable are paid by the general fund. The financed 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 asset in good repair. The District is in compliance with all reporting requirements and covenanted terms of the agreement as of December 31, 2024.

The annual requirements to amortize the financed purchases payable as of December 31, 2024, are as follows:

Years Ending December 31,	Governmental Activities	
	Principal	Interest
2025	\$ 35,664	\$ 37,446
2026	38,702	34,408
2027	42,016	31,094
2028	45,634	27,476
2029	49,586	23,524
2030-2034	245,144	46,747
	<u>\$ 456,746</u>	<u>\$ 200,695</u>

Compensated Absences

District employees accumulate vacation and sick leave as described in Note 1. The District records an expense and liability as the benefits accrue to employees in the government-wide financial statements.

Note 7 - Defined Benefit Pension Plans**Plan Description**

The District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The plan covers substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. As of January 1, 2023 the Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan. This change did not have a material impact on the District's financial statements.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund. Assets from the Deferred Retirement Option Plan (DROP) and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at: <http://www.FPPAco.org>.

Benefits Provided

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2024, members of the Statewide Retirement Plan and their employers contributed at the rate of 12 percent and 10 percent, respectively, of pensionable earnings for a total contribution rate of 22.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

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

At December 31, 2024, the District reported a net pension liability of \$0 for its proportionate share of the net pension liability. 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, 2024. The proportionate share is defined as the proportionate relationship of one employer to all employers of the plan. The basis for the employer's proportion should be determined consistent with the manner in which contributions to the pension plan are determined. Only employer contributions are used to calculate the proportion (member contributions are not considered). The proportionate share is used to calculate the City's share of collective net pension liability, collective pension expense and collective deferrals. These proportionate share amounts will then be combined with the City's specific deferrals and amortization of deferrals to report net pension liability, pension expense and other required disclosure items. At December 31, 2023, the District's proportion was 0.235894 percent, compared to 0.232998 percent measured as of December 31, 2022, an increase of 0.002896 percent.

For the fiscal year ended December 31, 2024, the District recognized pension expense of \$332,163. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 449,248	\$ 21,585
Changes of assumptions	260,581	-
Net difference between projected and actual investment earnings on pension plan investments	322,519	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	39,158	7,721
District contributions subsequent to the measurement date	<u>200,000</u>	<u>-</u>
	<u>\$ 1,271,506</u>	<u>\$ 29,306</u>

The \$200,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an adjustment against the net pension liability in the year ended December 31, 2025.

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

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2025	\$ 150,688
2026	150,688
2027	150,688
2028	150,688
2029	150,688
Thereafter	288,760

Actuarial Assumptions

The January 1, 2023 actuarial valuation date was used to determine the Actuarially Determined Contributions for the fiscal year ending December 31, 2023. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return, Net*	7.00%
Projected Salary Increases*	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0.00%
*Includes Inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.33%
Equity Long/Short	6.00%	7.27%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.35%
Fixed Income - Credit	5.00%	5.89%
Absolute Return	9.00%	6.39%
Cash	1.00%	4.32%
Total	100.00%	

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

Discount Rate and Sensitivity Analysis

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

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 1,322,752	\$ -	\$ -

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

FPPA issues a publicly available annual comprehensive financial report that includes financial statements and the required supplementary information for FPPA. That report may be obtained on the FPPA website at: <http://www.fppaco.org>.

Note 8 - Section 457 Deferred Compensation Plan

Plan Description

The District offers its paid responder personnel an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the 457 Plan). All compensation deferred under the 457 Plan, together with all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are to be held in trust for exclusive benefit of the participants and their designated beneficiaries. Compensation deferred under the 457 Plan is not available to participants until termination, retirement, death, or unforeseeable emergency. The 457 Plan is administered by FPPA.

Contributions

Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. For the year ended December 31, 2024, employer and employee contributions were \$0 and \$59,369, respectively.

The individual participants determine investment decisions within the 457 Plan and, therefore, the 457 Plan's investment concentration varies between the participants. The District, as trustee of the 457 Plan, has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the 457 Plan. Consequently, the 457 Plan is not part of the District's financial statements.

Note 9 - Statewide Death and Disability Plan

Plan Description

The District contributes to the Statewide Death and Disability Plan (D&D Plan) administered by the FPPA. The D&D Plan is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado.

As of August 5, 2003, the D&D Plan may include part-time police and fire employees. Contributions to the D&D Plan are used for the payment of death and disability benefits.

Employers who are covered by Social Security may elect supplementary coverage by the D&D Plan.

As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Defined Benefit System and the Statewide Death & Disability Plan. The D&D Plan was established in 1980 pursuant to Colorado Revised Statutes and currently has 270 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2022, who are covered by Social Security and have elected supplementary coverage by the D&D Plan.

The D&D Plan assets are included in the Fire & Police Members' Benefit Investment Fund Long-Term Pool. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7.0%.

D&D Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease. The FPPA issues a publicly available financial report that may be obtained at www.fppaco.org.

Contributions

Prior to 1997, the D&D Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. During 2022, C.R.S. 31-31-811 was amended to provide additional payments from the State to the D&D Plan on July 1, 2022 and July 1, 2023 of \$6,650,000 each.

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to this D&D Plan as of January 1, 1997. Effective January 1, 2022, the contribution rate increased to 3.2 percent of base salary and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and the member as determined at the local level. District contributions to the D&D Plan were \$78,334 for the year ended December 31, 2024.

Benefits Provided

Benefits are established by Colorado statute. If a member dies prior to normal retirement eligibility while off-duty, the surviving spouse shall receive a benefit equal to 40 percent of the monthly base salary paid to the member prior to death. An additional 10 percent of base salary is payable if a surviving spouse has two or more dependent children. If there is no surviving spouse, but the member had one or two dependent children, the benefit payable is 40 percent of the member's monthly base salary. If there is no spouse but three or more dependent children, the benefit equals 50 percent of the member's monthly base salary.

As of October 15, 2002, if a member dies prior to retirement while on-duty; the surviving spouse shall receive a benefit equal to 70 percent of the member's monthly base salary regardless of the number of dependent children. If there is no spouse but one or more dependent children living in the member's household the benefit equals 70 percent of the member's monthly base salary.

If there are dependent children without a surviving spouse, and they do not live in the household, the benefit is 40 percent for the first child and 15 percent for each additional child, but not greater than 70 percent in total of the member's monthly base salary. Benefits will be paid to the spouse until death and to dependent children until age 23, death, marriage or other termination of dependency. Benefits may be extended for an incapacitated child.

For purposes of this D&D Plan, a spouse includes a partner in a civil union. These benefits are offset by Money Purchase account balances, Stabilization Reserve Accounts (SRA) and Deferred Retirement Option Plan (DROP) accounts, converted to annuities.

The D&D Plan provides the members with two types of disability: occupational and total. Occupational Disability means a member is unable to perform their assigned duties due to a medical condition that is expected to last at least one year. Assigned duties are those specific tasks or job duties that a member is required to regularly perform. Within the Occupational Disability category, there are two sub-categories: Temporary Occupational Disability and Permanent Occupational Disability.

Temporary Occupational Disability is an occupational disability for which there is prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy or other means.

Permanent Occupational Disability is an occupational disability caused by a condition that is permanent or degenerative and for which there is no prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy or other means.

Total Disability means the member is unable to engage in any substantial gainful activity due to a medically determined physical or mental impairment that may be expected to result in death or that has lasted or is expected to last at least 1 year.

A member who becomes disabled prior to normal retirement eligibility shall be eligible for disability benefits. If the member is totally disabled, the member shall receive 70 percent of their base salary preceding disability. If the member is occupationally disabled and their disability is determined to be a permanent occupational disability, the member shall receive 50 percent of their base salary preceding disability regardless of their family status. If the member is occupationally disabled and the disability is determined to be a temporary occupational disability, the member shall receive 40 percent of their base salary preceding disability regardless of their family status for up to five years.

Total disability and permanent occupational disability benefits are offset by the Money Purchase, SRA or DROP balances, converted to annuities. For member's who also participate in Social Security, disability benefits are reduced by Social Security disability benefits derived from employment as a member, if applicable.

Temporary Occupational Disability benefits are payable for a maximum of five years. Permanent Occupational and Total Disability benefits are payable as long as the member remains disabled. A cost of living adjustment of up to 3 percent may be granted to members and spouses by the Fire & Police Pension Association Board of Directors annually.

Totally disabled members and their beneficiaries receive an automatic benefit adjustment each year of 3 percent. The cost of living adjustment is effective October 1. A cost of living adjustment may begin after receiving benefits for at least 12 calendar months prior to October 1.

Note 10 - Net Position and Fund Balances

Net Investment in Capital Assts Calculation

	Governmental Activities
Capital Assets Not Depreciated	\$ 2,060,530
Capital Assets, net of accumulated depreciation	4,731,955
Non-current liabilities due in one year	(148,364)
Non-current liabilities due in more than one year	(533,781)
Less:	
Accrued compensated absences	225,399
	\$ 6,335,739

Fund Balance

The District classified fund balances within the governmental funds as follows at December 31, 2024:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
Fund Balances			
Nonspendable			
Prepaid items	\$ 47,271	\$ -	\$ 47,271
Restricted			
TABOR	144,187	-	144,187
Assigned			
Capital replacement	116,000	-	116,000
Debt Service	73,110	78,723	151,833
Total assigned	189,110	78,723	267,833
Unassigned	819,245	-	819,245
Total Fund Balances	<u>\$ 1,199,813</u>	<u>\$ 78,723</u>	<u>\$ 1,278,536</u>

Note 11 - Tax, Spending, and Debt Limitations

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.

In May 1998, the District voters approved the District to collect, retain and spend all revenues and other funds collected from any source not excluded from fiscal year spending, effective January 1, 1998, and continuing thereafter. Fund balance in the General Fund and government-wide net position of \$144,187 at December 31, 2024, is restricted in accordance with TABOR.

Note 12 - 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 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 13 - Commitments and Contingencies

Litigation

The District is a party to litigation under which it may be required to pay certain monies upon the decision of the courts. The Office of the District Attorney reports numerous possible contingent liabilities based on the amount of damages alleged in various cases. However, in the opinion of County officials and legal counsel, the District's liability in these cases will be far less than the amounts demanded and/or will be covered by insurance. Further, management does not believe that in the event of unfavorable findings that these amounts will be material to the basic financial statements. Accordingly, no provision has been made in the financial statements for these contingent liabilities.

Federal Financial Assistance Programs

The District has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Management believes disallowances, if any, will be immaterial in relation to the District's financial statements.

Construction Commitments

The District has an active construction project for the architectural design and planning for Station 61 as of December 31, 2024, with estimated costs to complete of \$163,000. The design phase was completed in January 2025. The actual construction project has not gone out to bid as the date of the financial statements.

Required Supplementary Information
December 31, 2024

Upper Pine River Fire Protection District

Upper Pine River Fire Protection District
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues				
Property taxes	\$ 3,381,725	\$ 3,381,725	\$ 3,580,445	\$ 198,720
Specific ownership taxes	280,000	280,000	291,853	11,853
Wildland firefighting	600,000	600,000	653,882	53,882
Other local sources:				-
Medical billings, net	250,000	250,000	472,551	222,551
Investment income	1,000	1,000	10,213	9,213
Grants	831,693	831,693	1,248,976	417,283
Miscellaneous	106,800	106,800	219,546	112,746
	<u>5,451,218</u>	<u>5,451,218</u>	<u>6,477,466</u>	<u>1,026,248</u>
Expenditures				
Current				
Fire administration	4,133,154	4,133,154	4,020,098	113,056
Fire fighting	89,500	89,500	85,898	3,602
Fire training	47,000	47,000	45,062	1,938
Wildland fires	336,080	336,080	379,035	(42,955)
Fire communications	46,000	46,000	27,388	18,612
Medical services	174,500	174,500	345,373	(170,873)
Station and grounds	137,174	137,174	151,516	(14,342)
Capital outlay	236,638	236,638	843,615	(606,977)
Debt service				
Principal	1,500	1,500	33,006	(31,506)
Interest and fiscal charges	-	-	44,345	(44,345)
	<u>5,201,546</u>	<u>5,201,546</u>	<u>5,975,336</u>	<u>(773,790)</u>
Excess of Revenues over Expenditures	249,672	249,672	502,130	252,458
Other Financing Sources				
Sale of capital assets	50,000	50,000	87,000	37,000
Net Change in Fund Balances	<u>\$ 299,672</u>	<u>\$ 299,672</u>	589,130	<u>\$ 289,458</u>
Fund Balance, Beginning of Year			<u>610,683</u>	
Fund Balance, End of Year			<u>\$ 1,199,813</u>	

Note 1 Budgets and Budgetary Accounting

The Board adopts an annual budget for the General Fund. Budgeted amounts for all funds are based on legally adopted budgets, including supplemental budget appropriations, if any, which are on a basis consistent with GAAP for each fund type. The Fire Chief is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter total expenditures for any of the funds must be approved by the Board.

The budgetary comparison schedule included in the required supplementary information presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results. The General Fund recognizes an expenditure for contingencies and capital replacements in its budget-basis expenditures.

Annual budgets are established for all funds of the District as required by Colorado law. Budgets reported in the accompanying financial statements are on the same basis of accounting as described above.

Expenditures may not legally exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. After budget approval, the District Board may approve supplemental appropriations if an occurrence, condition or need exists which was not known at the time the budget was adopted. Certain General Fund expenditures exceeded appropriated amounts, which may be a violation of Colorado Revised Statutes.

On or before October 15 of each year, the District's budget officer must prepare and submit a proposed budget to the Board for the next fiscal year. Thereupon, notice must be published stating, among other things, that the budget is open to inspection by the public and that interested electors may file or register any objection to the budget.

Subject to certain exceptions and exclusions discussed hereafter, the District must submit a request for property tax increases in excess of the statutory limitation to the Division of Local Government (if within TABOR limits) or submit the question of an increased level directly to the electors of the District at a general or special election. State law requires that the District adopt a budget prior to the certification of its mill levy to the County and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption. Failure to do so can result in the County Treasurer's withholding future property tax revenues pending compliance by the District. Budget appropriations lapse at the end of each year. The encumbrance method is not used.

Upper Pine River Fire Protection District
Schedule of Employer's Share of Net Pension Liability (Asset)
and Schedule of Employer Contributions
FPPA Statewide Defined Benefit Plan
Year Ended December 31, 2024

**Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years***

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered-Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2023	0.2359%	\$ -	\$ 2,343,761	0.00%	100.00%
12/31/2022	0.2330%	\$ 206,811	\$ 2,024,748	10.21%	97.60%
12/31/2021	0.2311%	\$ (1,252,468)	\$ 2,031,005	61.67%	116.20%
12/31/2020	0.2211%	\$ (480,081)	\$ 1,744,330	27.52%	106.10%
12/31/2019	0.2193%	\$ (124,044)	\$ 1,547,594	8.02%	101.90%
12/31/2018	0.2337%	\$ (295,514)	\$ 1,521,342	19.42%	95.20%
12/31/2017	0.2335%	\$ (335,884)	\$ 1,365,638	24.60%	106.30%
12/31/2016	0.2757%	\$ (99,626)	\$ 1,362,308	7.31%	98.20%
12/31/2015	0.2560%	\$ 4,512	\$ 1,242,945	0.36%	100.10%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

**Schedule of Employer's Contributions
Last 10 Fiscal Years***

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
12/31/2024	\$ 235,363	\$ 235,363	\$ -	\$ 2,343,761	10.00%
12/31/2023	\$ 191,994	\$ 191,994	\$ -	\$ 2,024,748	9.50%
12/31/2022	\$ 182,440	\$ 182,440	\$ -	\$ 2,031,005	9.00%
12/31/2021	\$ 158,473	\$ 158,473	\$ -	\$ 1,864,392	8.50%
12/31/2020	\$ 143,116	\$ 143,116	\$ -	\$ 1,788,962	8.00%
12/31/2019	\$ 123,808	\$ 123,808	\$ -	\$ 1,547,954	8.00%
12/31/2018	\$ 121,708	\$ 121,708	\$ -	\$ 1,521,342	8.00%
12/31/2017	\$ 109,251	\$ 109,251	\$ -	\$ 1,365,638	8.00%
12/31/2016	\$ 108,985	\$ 108,985	\$ -	\$ 1,362,308	8.00%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

Statistical Section
December 31, 2024

Upper Pine River Fire Protection District

This part of the Upper Pine River Fire Protection District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends – These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess two of the government's significant local revenue sources: property and sales tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment in which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services and activities the government provides and performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Upper Pine River Fire Protection District
 Components of Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 1,749,878	\$ 2,059,999	\$ 2,179,305	\$ 2,315,616	\$ 2,607,510	\$ 3,722,745	\$ 4,217,206	\$ 4,457,574	\$ 5,380,458	\$ 6,335,739
Restricted	509,967	245,201	162,322	175,311	977,125	203,833	341,256	144,187	150,115	144,187
Unrestricted	1,501,248	2,128,814	2,039,336	2,235,470	1,218,918	1,512,620	2,543,775	2,876,204	1,625,460	2,151,150
Total Governmental Activities Net Position	<u>\$ 3,761,093</u>	<u>\$ 4,434,014</u>	<u>\$ 4,380,963</u>	<u>\$ 4,726,397</u>	<u>\$ 4,803,553</u>	<u>\$ 5,439,198</u>	<u>\$ 7,102,237</u>	<u>\$ 7,477,965</u>	<u>\$ 7,156,033</u>	<u>\$ 8,631,076</u>

Upper Pine River Fire Protection District
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Public safety	\$ 4,020,759	\$ 4,149,920	\$ 4,172,157	\$ 4,483,209	\$ 4,179,341	\$ 4,671,637	\$ 4,754,666	\$ 5,020,204	\$ 5,413,663	\$ 5,440,168
Interest	177,768	159,682	140,498	123,252	105,666	90,290	42,134	37,822	23,976	53,037
Total governmental activities expenses	<u>4,198,527</u>	<u>4,309,602</u>	<u>4,312,655</u>	<u>4,606,461</u>	<u>4,285,007</u>	<u>4,761,927</u>	<u>4,796,800</u>	<u>5,058,026</u>	<u>5,437,639</u>	<u>5,493,205</u>
Program Revenues										
Governmental Activities										
Charges for services	228,183	256,478	274,041	272,844	215,084	255,178	477,245	390,514	319,478	472,551
Operating grants and contributions	856,305	674,166	669,330	1,348,490	658,932	1,621,725	2,091,292	1,521,529	1,144,756	1,902,858
Capital grants and contributions	108,421	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>1,192,909</u>	<u>930,644</u>	<u>943,371</u>	<u>1,621,334</u>	<u>874,016</u>	<u>1,876,903</u>	<u>2,568,537</u>	<u>1,912,043</u>	<u>1,464,234</u>	<u>2,375,409</u>
Net Revenue (Expense)										
Governmental Activities	<u>(3,005,618)</u>	<u>(3,378,958)</u>	<u>(3,369,284)</u>	<u>(2,985,127)</u>	<u>(3,410,991)</u>	<u>(2,885,024)</u>	<u>(2,228,263)</u>	<u>(3,145,983)</u>	<u>(3,973,405)</u>	<u>(3,117,796)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes	3,615,228	3,976,337	3,212,355	3,230,005	3,386,479	3,420,806	3,213,460	3,089,863	3,319,334	4,276,080
Investment earnings	435	477	13,413	(19,375)	57,719	8,087	(7,208)	2,636	1,008	10,213
Other income	207,975	14,350	21,382	31,181	43,949	21,776	359,050	331,162	155,131	306,546
Gain on sale of capital assets	-	60,715	69,083	88,750	-	70,000	326,000	98,050	176,000	-
Total governmental activities	<u>3,823,638</u>	<u>4,051,879</u>	<u>3,316,233</u>	<u>3,330,561</u>	<u>3,488,147</u>	<u>3,520,669</u>	<u>3,891,302</u>	<u>3,521,711</u>	<u>3,651,473</u>	<u>4,592,839</u>
Total Primary Government Change in Net Position	<u>\$ 818,020</u>	<u>\$ 672,921</u>	<u>\$ (53,051)</u>	<u>\$ 345,434</u>	<u>\$ 77,156</u>	<u>\$ 635,645</u>	<u>\$ 1,663,039</u>	<u>\$ 375,728</u>	<u>\$ (321,932)</u>	<u>\$ 1,475,043</u>

Upper Pine River Fire Protection District
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 47,957	\$ 89,656	\$ 45,359	\$ 99,033	\$ 95,819	\$ 88,577	\$ 92,916	\$ 92,916	\$ 39,418	\$ 47,271
Restricted	353,685	101,345	103,201	117,933	907,301	124,184	465,251	565,251	150,115	144,187
Assigned	-	-	-	-	-	-	-	-	189,110	189,110
Unassigned	1,103,254	1,630,809	1,645,993	1,541,092	462,769	791,189	1,003,512	1,060,388	232,040	819,245
Total General Fund	<u>\$ 1,504,896</u>	<u>\$ 1,821,810</u>	<u>\$ 1,794,553</u>	<u>\$ 1,758,058</u>	<u>\$ 1,465,889</u>	<u>\$ 1,003,950</u>	<u>\$ 1,561,679</u>	<u>\$ 1,718,555</u>	<u>\$ 610,683</u>	<u>\$ 1,199,813</u>
All Other Governmental Funds										
Restricted	\$ 156,282	\$ 143,856	\$ 59,121	\$ 57,378	\$ 69,824	\$ 79,649	\$ 92,005	\$ 85,424	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-	76,113	78,723
Total All Other Governmental Funds	<u>\$ 156,282</u>	<u>\$ 143,856</u>	<u>\$ 59,121</u>	<u>\$ 57,378</u>	<u>\$ 69,824</u>	<u>\$ 79,649</u>	<u>\$ 92,005</u>	<u>\$ 85,424</u>	<u>\$ 76,113</u>	<u>\$ 78,723</u>

Upper Pine River Fire Protection District
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes										
Property Taxes	\$ 3,319,218	\$ 3,662,638	\$ 2,896,839	\$ 2,914,787	\$ 3,061,793	\$ 3,097,073	\$ 2,897,252	\$ 2,780,516	\$ 3,012,832	\$ 3,950,779
Specific Ownership Taxes	296,010	313,699	315,516	315,218	324,686	323,733	316,208	309,347	306,502	325,301
Intergovernmental	330,671	261,851	510,384	1,143,751	332,267	1,082,331	1,309,215	263,226	466,820	653,882
Grants	634,055	412,315	158,946	204,739	326,665	539,394	782,077	1,258,303	677,936	1,248,976
Charges for Services	228,183	256,478	274,041	272,844	215,084	255,178	477,245	390,514	319,478	472,551
Net Investment Income	435	477	13,413	(19,375)	57,719	8,087	(7,208)	2,636	1,008	10,213
Miscellaneous	207,975	14,350	21,382	31,181	43,949	21,776	359,050	331,162	155,131	219,546
Total Revenues	<u>5,016,547</u>	<u>4,921,808</u>	<u>4,190,521</u>	<u>4,863,145</u>	<u>4,362,163</u>	<u>5,327,572</u>	<u>6,133,839</u>	<u>5,335,704</u>	<u>4,939,707</u>	<u>6,881,248</u>
Expenditures										
Public Safety	3,022,582	3,529,412	3,463,201	4,117,646	3,751,793	4,250,744	4,957,141	4,448,361	4,755,606	5,065,256
Capital Outlay	746,392	296,535	332,576	67,951	85,172	397,155	437,264	339,749	1,471,503	843,615
Debt Service										
Principal	666,347	728,366	684,581	701,584	719,508	1,142,397	453,215	457,527	471,376	413,142
Interest	158,515	139,969	120,163	102,952	85,413	59,390	42,134	37,822	24,157	54,495
Total Expenditures	<u>4,593,836</u>	<u>4,694,282</u>	<u>4,600,521</u>	<u>4,990,133</u>	<u>4,641,886</u>	<u>5,849,686</u>	<u>5,889,754</u>	<u>5,283,459</u>	<u>6,722,642</u>	<u>6,376,508</u>
Excess (deficiency) of revenues over (under) expenditures	422,711	227,526	(410,000)	(126,988)	(279,723)	(522,114)	244,085	52,245	(1,782,935)	504,740
Other Financing Sources										
Sale of capital assets	-	76,962	298,008	88,750	-	70,000	326,000	98,050	176,000	87,000
Issuance of debt	-	-	-	-	-	-	-	-	489,752	-
Total Other Financing Sources	<u>-</u>	<u>76,962</u>	<u>298,008</u>	<u>88,750</u>	<u>-</u>	<u>70,000</u>	<u>326,000</u>	<u>98,050</u>	<u>665,752</u>	<u>87,000</u>
Net Change in Fund Balances	<u>\$ 422,711</u>	<u>\$ 304,488</u>	<u>\$ (111,992)</u>	<u>\$ (38,238)</u>	<u>\$ (279,723)</u>	<u>\$ (452,114)</u>	<u>\$ 570,085</u>	<u>\$ 150,295</u>	<u>\$ (1,117,183)</u>	<u>\$ 591,740</u>
Debt service as a percentage of noncapital expenditures	<u>21.44%</u>	<u>19.74%</u>	<u>18.86%</u>	<u>16.35%</u>	<u>17.66%</u>	<u>22.04%</u>	<u>9.08%</u>	<u>10.02%</u>	<u>9.44%</u>	<u>8.45%</u>

Upper Pine River Fire Protection District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

	Tax Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant Land	\$ 27,190,070	\$ 26,684,540	\$ 27,317,950	\$ 25,669,030	\$ 25,474,970	\$ 24,265,950	\$ 23,310,080	\$ 26,059,410	\$ 33,149,890	\$ 33,339,460
Residential	105,622,230	106,853,370	105,330,810	107,197,700	116,181,090	118,175,070	126,800,910	122,979,540	135,212,830	137,287,300
Commercial	23,452,950	23,497,810	24,069,570	25,433,180	26,262,960	25,679,340	24,151,840	23,835,310	24,596,890	24,779,360
Industrial	667,160	643,760	702,320	710,060	757,220	787,040	781,850	767,040	673,010	672,460
Agricultural	2,572,370	2,585,310	3,057,750	3,042,910	2,829,680	2,835,490	2,829,910	2,546,010	2,441,390	2,718,080
Natural Resources	177,470	116,710	47,930	75,730	65,160	29,240	15,690	8,020	14,620	11,090
Oil and Gas	132,707,840	68,854,960	62,289,670	71,510,200	66,404,730	49,361,840	33,465,170	55,065,600	88,221,170	54,919,610
State Assessed	8,219,470	9,138,090	10,552,630	9,721,090	9,824,260	9,070,270	9,107,760	8,482,640	8,018,250	8,959,590
Multi Family Property*	-	-	-	-	-	-	-	1,319,240	1,625,450	1,711,160
Other Ag Property*	-	-	-	-	-	-	-	96,200	93,120	8,890
Renewable Energy Property*	-	-	-	-	-	-	-	3,880	3,880	3,690
Total Taxable Assessed Value	\$ 300,609,560	\$ 238,374,550	\$ 233,368,630	\$ 243,359,900	\$ 247,800,070	\$ 230,204,240	\$ 220,463,210	\$ 241,162,890	\$ 294,050,500	\$ 264,410,690
Taxable Values Percentage of Estimated Actual Value	17.13%	13.58%	12.43%	12.75%	12.64%	11.75%	10.35%	11.49%	12.11%	10.90%
Total Estimated Actual Value	\$1,754,924,690	\$1,755,061,490	\$1,877,641,320	\$1,908,813,850	\$1,960,764,130	\$1,959,024,280	\$2,130,226,120	\$2,099,059,920	\$2,428,553,700	\$2,426,613,410
Total Direct Rate	12.082	12.082	12.082	12.442	12.456	12.400	12.510	12.497	12.360	12.138

* New classification as of 2022 tax year

Source – La Plata County Assessor

Upper Pine River Fire Protection District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Unaudited)

	Collection Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Direct Millage										
Operating	10.900	10.900	10.900	10.900	10.936	10.900	10.900	10.900	10.900	10.900
Debt Service	1.182	1.182	1.182	1.542	1.520	1.500	1.610	1.597	1.460	1.238
Total Direct	12.082	12.082	12.082	12.442	12.456	12.400	12.510	12.497	12.360	12.138
County										
La Plata County	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500
Municipalities										
Town of Bayfield	5.950	5.950	5.950	5.950	5.950	5.950	5.950	5.950	5.950	5.950
School Districts										
Bayfield 10R	21.599	21.161	32.478	31.905	31.721	31.272	32.848	34.751	34.168	31.577
Special Districts										
Aspen Trails Metro	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Aspen Trails Bond	6.240	6.160	6.112	6.252	6.141	5.878	5.959	5.848	5.859	0.000
Forest Lakes Metropolitan	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.519	35.524	35.524
La Plata Archuleta Water	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
La Plata County Water Conservancy	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295
Pine River Cemetary	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Pine River Library	2.504	2.501	2.500	2.500	2.500	4.000	4.000	4.000	4.000	4.000
SW Water Conservancy	0.362	0.340	0.395	0.407	0.407	0.403	0.407	0.407	0.407	0.347

Source – La Plata County Annual Comprehensive Financial Report

Upper Pine River Fire Protection District
Principal Property Taxpayers – La Plata County
Current Fiscal Year and Nine Years Ago
(Unaudited)

Taxpayer	2023*			2014		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Simcoe LLC	\$ 250,225,050	1	11.18%	N/A	N/A	N/A
Hilcorp San Juan LP	114,736,480	2	5.13%	N/A	N/A	N/A
Harvest Four Corners, LLC	43,497,430	3	1.94%	N/A	N/A	N/A
Catamount Energy Partners LLC	41,360,550	4	1.85%	N/A	N/A	N/A
Enduring Resources LLC	36,862,670	5	1.65%	N/A	N/A	N/A
Arkoma Operations, LLC	35,745,780	6	1.60%	N/A	N/A	N/A
Red Willow Production CO	30,910,240	7	1.38%	16,697,090	8	0.68%
Red Cedar	25,201,300	8	1.13%	28,879,250	7	1.17%
La Plata Electric Association Inc	22,096,200	9	0.99%	16,201,400	9	0.66%
Glacier Property Associates, LLC	8,509,980	10	0.38%	N/A	N/A	N/A
BP America Production Company	N/A	N/A	N/A	414,849,980	1	16.87%
Samson Resources Company	N/A	N/A	N/A	107,165,240	2	4.36%
Williams Gas Processing	N/A	N/A	N/A	49,724,490	3	2.02%
XTO Energy Company	N/A	N/A	N/A	43,932,550	4	1.79%
Burlington Resources Oil & Gas	N/A	N/A	N/A	33,029,770	5	1.34%
Conoco Phillips Company	N/A	N/A	N/A	32,282,500	6	1.31%
WPX Energy San Juan, LLC	N/A	N/A	N/A	12,927,330	10	0.53%
Total attributable to top taxpayers	609,145,680		27.21%	755,689,600		30.73%
Total of all other properties	<u>1,629,354,110</u>		<u>72.79%</u>	<u>1,703,183,970</u>		<u>69.27%</u>
	<u>\$2,238,499,790</u>		<u>100.00%</u>	<u>\$2,458,873,570</u>		<u>100.00%</u>

*Most recent year for which data is available

Note: Information presented is for La Plata County, which includes areas outside of the boundaries of the District.

Source: La Plata County Treasurer's Office

Upper Pine River Fire Protection District
 General Fund Property Tax Levies and Collections
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 3,806,433	\$ 3,624,924	95.23%	\$ -	\$ 3,624,924	95.23%
2023	3,568,451	3,012,832	84.43%	533,169	3,546,001	99.37%
2022	2,981,130	2,780,516	93.27%	199,515	2,980,031	99.96%
2021	2,754,903	2,473,938	89.80%	280,096	2,754,034	99.97%
2020	2,880,246	2,669,551	92.68%	209,169	2,878,720	99.95%
2019	3,070,487	2,967,366	96.64%	102,545	3,069,911	99.98%
2018	3,019,711	2,899,467	96.02%	119,582	3,019,049	99.98%
2017	2,899,451	2,838,955	97.91%	59,932	2,898,887	99.98%
2016	2,876,715	2,838,955	98.69%	37,072	2,876,027	99.98%
2015	3,627,754	3,598,883	99.20%	28,235	3,627,118	99.98%

Upper Pine River Fire Protection District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 (Unaudited)

Year	Governmental Activities		Total Primary Government	Per Capita (1)
	General Obligation Bonds	Financed Purchases Payable		
2024	\$ -	\$ 456,746	\$ 456,746	\$ 30
2023	380,136	489,752	869,888	58
2022	750,387	101,125	851,512	57
2021	1,111,009	198,029	1,309,038	87
2020	1,462,253	-	1,462,253	97
2019	1,804,363	800,287	2,604,650	174
2018	2,137,576	1,190,909	3,328,485	222
2017	2,462,123	1,563,618	4,025,741	268
2016	2,778,231	1,932,092	4,710,323	314
2015	3,086,117	2,352,571	5,438,688	363

Upper Pine River Fire Protection District
Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Taxable Assessed Value of Property	\$ 300,609,560	\$ 238,374,550	\$ 233,368,630	\$ 243,359,900	\$ 247,800,070	\$ 230,204,240	\$ 220,463,210	\$ 241,162,890	\$ 294,050,500	\$ 264,410,690
Debt Limit, 3 percent of total assessed value, per Colorado Revised Statutes, Section 32-11-534	<u>9,018,287</u>	<u>7,151,237</u>	<u>7,001,059</u>	<u>7,300,797</u>	<u>7,434,002</u>	<u>6,906,127</u>	<u>6,613,896</u>	<u>7,234,887</u>	<u>8,821,515</u>	<u>7,932,321</u>
General Bonded Debt Outstanding										
General Obligation Bonds	\$ 3,086,117	\$ 2,778,231	\$ 2,462,123	\$ 2,137,576	\$ 1,804,363	\$ 1,462,253	\$ 1,111,009	\$ 750,387	\$ 380,136	\$ -
Less: amounts set aside to repay general debt	(416,282)	(143,856)	(59,121)	(57,378)	-	-	-	-	-	-
Total debt applicable to limitation	<u>\$ 2,669,835</u>	<u>\$ 2,634,375</u>	<u>\$ 2,403,002</u>	<u>\$ 2,080,198</u>	<u>\$ 1,804,363</u>	<u>\$ 1,462,253</u>	<u>\$ 1,111,009</u>	<u>\$ 750,387</u>	<u>\$ 380,136</u>	<u>\$ -</u>
Legal debt margin	<u>\$ 6,348,452</u>	<u>\$ 4,516,862</u>	<u>\$ 4,598,057</u>	<u>\$ 5,220,599</u>	<u>\$ 5,629,639</u>	<u>\$ 5,443,874</u>	<u>\$ 5,502,887</u>	<u>\$ 6,484,500</u>	<u>\$ 8,441,379</u>	<u>\$ 7,932,321</u>
Legal Debt Margin as a Percentage of the Debt Limit	70.40%	63.16%	65.68%	71.51%	75.73%	78.83%	83.20%	89.63%	95.69%	100.00%
Bonded Debt as a Percentage of Total Assessed Value of Property	1.03%	1.17%	1.06%	0.88%	0.73%	0.64%	0.50%	0.31%	0.13%	0.00%
Bonded Debt Per Capita*	\$ 206	\$ 185	\$ 164	\$ 143	\$ 120	\$ 97	\$ 74	\$ 50	\$ 25	\$ -

Upper Pine River Fire Protection District
 Direct and Overlapping Governmental Activities Debt
 Last Ten Fiscal Years
 (Unaudited)

	Net Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
Upper Pine River Fire Protection District	\$ 456,746	100.00%	\$ 456,746
Overlapping:			
Bayfield School District Re. J 10*	35,377,980	93.50%	33,078,411
Total Direct and Overlapping Debt			\$ 33,078,411

* Source – Bayfield School District Audited Financial Statements

Upper Pine River Fire Protection District
Demographic and Economic Statistics - La Plata County
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Population (1)	54,907	55,697	55,619	56,310	55,511	55,649	56,171	56,556	56,457	56,823
Births (1)	579	571	503	459	421	480	437	423	424	831
Deaths (1)	346	337	353	338	345	371	439	464	416	462
Housing units (1)	27,052	27,404	27,527	28,267	28,482	28,198	28,556	28,916	29,272	29,752
Households (1)	22,486	22,851	22,849	21,793	23,147	23,487	23,806	23,966	24,093	23,200
Average household size (1)	2.35	2.35	2.35	2.44	2.35	2.37	2.29	2.28	2.26	2.30
Registered voters (2)	41,117	44,508	43,870	43,811	43,811	41,319	47,758	49,685	43,020	44,231
Employment (1)	29,328	29,842	31,580	32,091	32,091	30,924	30,380	30,600	30,363	28,340
Unemployment	1,012	901	665	971	971	2,319	1,688	944	954	1,215
Unemployment rate	3.30%	2.30%	2.50%	2.90%	3.00%	7.50%	4.20%	3.00%	3.60%	4.20%
Per capita personal income	\$ 51,755	\$ 51,117	\$ 50,336	\$ 57,015	\$ 58,216	\$ 61,678	\$ 66,944	\$ 68,794	\$ 68,794	\$ 85,296

Sources:

(1) Colorado Department of Local Affairs

(2) La Plata County Election Archive

Upper Pine River Fire Protection District
Principal Employers in La Plata County
Last Ten Fiscal Years
(Unaudited)

Employer	2024			2015		
	Full Time Equivalent Employees (1)	Rank	Percentage of Total County Employment	Full Time Equivalent Employees (2)	Rank	Percentage of Total County Employment
Southern Ute Indian Tribe	1,600	1	4.86%	755	2	2.30%
Durango School District 9-R	988	2	3.00%	601	4	1.83%
Mercy Medical Center	901	3	2.74%	797	1	2.43%
Purgatory Recreation Management LLC	850	4	2.58%	N/A	-	N/A
Fort Lewis College	683	5	2.07%	636	3	1.94%
La Plata County	445	6	1.35%	326	8	0.99%
Wal-Mart Stores, Inc.	437	7	1.33%	365	7	1.11%
City of Durango	354	8	1.07%	314	9	0.96%
Bayfield School District	216	9	0.66%	N/A	-	N/A
Rocy Mountain Chocolate Factory	200	10	0.61%	N/A	-	N/A
Mercury Payment Systems	N/A	-	N/A	409	5	1.25%
Sky Ute Lodge and Casino	N/A	-	N/A	395	6	1.20%
Durango Mountain Resort	N/A	-	N/A	84	10	0.26%
Total	6,674		20.26%	4,682		14.28%

Source: Region 9 Economic Development District of SW Colorado

Information presented is for La Plata County, which includes areas outside of the boundaries of the District.

Upper Pine River Fire Protection District
 Full-time Equivalent Employees
 Last Ten Fiscal Years
 (Unaudited)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Firefighters and officers	24	24	24	24	25	24	24	24	24	24
Administrative staff	1	1	1	1	1	1	3	7	8	8
Part time staff	-	-	-	-	-	4	6	6	8	11
Operational support staff	2	2	2	2	2	2	2	2	2	2
Total	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>28</u>	<u>31</u>	<u>35</u>	<u>39</u>	<u>42</u>	<u>45</u>

Upper Pine River Fire Protection District
 Capital Asset Statistics
 Last Ten Fiscal Years
 (Unaudited)

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire and EMS										
Fire stations										
Staffed stations	3	3	3	3	3	3	3	3	3	3
Seasonal Staffed	1	1	-	1	1	1	1	1	1	1
Resident Staffed	-	-	1	-	1	1	-	1	2	2
Unmanned	4	4	3	4	3	3	4	3	2	2
	8	8	7	8	8	8	8	8	8	8
Administrative building	1	1	1	1	1	1	1	1	1	1
Fleet										
Engines	10	10	10	10	10	10	9	7	7	7
Tankers	7	7	7	7	7	7	7	5	4	5
Ambulances	5	5	6	6	6	6	6	5	5	5
Brush trucks	7	7	6	5	5	6	7	5	5	5
Rescue trucks	2	2	2	2	2	2	2	3	3	3
Other	9	9	9	10	10	11	10	11	11	12

Upper Pine River Fire Protection District
 Operating Indicators by Function
 Last Ten Fiscal Years
 (Unaudited)

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire										
Structure and wildland fires	70	43	52	67	49	43	54	29	37	33
Hazardous Conditions	31	32	33	36	28	34	41	3	41	39
EMS										
Emergency medical	563	605	565	507	520	530	707	705	636	530
Motor vehicle and bicycle accidents	-	-	-	72	74	83	75	33	31	46
Total EMS	563	605	565	579	594	613	782	738	667	576
Public Service Assistance	113	141	159	179	150	185	175	11	5	13
False Alarms	28	22	29	52	48	62	77	3	9	6
Total Calls	805	843	838	913	869	937	1,129	784	759	667

Upper Pine River Fire Protection District
 Calls by District
 Last Ten Fiscal Years
 (Unaudited)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District 1	318	386	370	443	398	444	559	572	450	439
District 2	62	38	42	38	24	32	42	42	33	33
District 3	46	48	55	41	38	47	60	54	61	63
District 4	79	89	62	78	100	102	114	114	123	86
District 5	116	113	129	128	111	163	145	174	159	145
District 6	22	20	21	33	52	33	42	28	29	33
District 7	64	52	61	50	53	45	67	73	67	55
District 8	38	30	25	30	26	23	33	22	30	38
District 9	-	3	10	4	5	8	8	10	11	17
Out of District	57	64	68	65	63	39	59	41	40	31
Total Calls	802	843	843	910	870	936	1,129	1,130	1,003	940