

***Yuma County Fire Protection District
Idalia, Colorado***

Financial Statements

For the Year Ended December 31, 2024

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12-13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	14-15
Notes to Financial Statements	16-25
Required Supplementary Information	
General Fund – Budgetary Comparison Schedule	28
Capital Improvements Fund – Budgetary Comparison Schedule	29
Notes to the Required Supplementary Information	30
Other Supplementary Information	
General Fund	
Budgetary Comparison Schedule - Revenues	34
Budgetary Comparison Schedule - Expenditures	35



Independent Auditors' Report

Board of Directors
Yuma County Fire Protection District
Idalia, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 and budgetary comparison information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
May 20, 2025

**Yuma County Fire Protection District
Management's Discussion and Analysis
As of and for the Year Ended December 31, 2024**

As management of the Yuma County Fire Protection District (the District), we offer readers of the District's financial statements this narrative analysis of the financial activities of the District as of, and for the year ended, December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the notes to the financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2,928,213.
- Total revenue exceeded expenses by \$5,005.
- At the end of the current fiscal year, the unrestricted net position for the District was \$785,696. This represents a decrease of \$99,328 from 2023, primarily due to an increase in capital purchases. The entire unrestricted net position may be used to meet the District's obligations to its citizens and creditors, as applicable.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's financial statements a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents information on all of the District's assets and liabilities and deferred inflows of resources, 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 net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges or grant revenue (business-type activities). The governmental activities of the District include general government and public safety functions.

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 uses only two funds, both of which are governmental funds: 1) the General Fund, to account for all operations and 2) the Capital Improvements Fund, to account for all major capital acquisition and construction activity.

Governmental funds are used to account for essentially the same functions 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 spendable resources, as well as on balances of spendable 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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget. Budgetary comparison schedules are included in the fund financial statements to demonstrate compliance with the adopted budget.

Notes to the Financial Statements

The notes to the financial statements provide additional information this is essential to a full understanding of the data provided in the basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$2,928,213 at the close of the most recent fiscal year.

A large portion of the District's net position (73%) reflects its investment in capital assets (e.g. land, buildings, equipment). The District uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

Amounts restricted for emergencies have been set aside in accordance with the provision of the Taxpayer's Bill of Rights (TABOR).

Net Position

Net position of the District as of December 31, 2024 and 2023, as restated, are shown in the table below.

	<u>2024</u>	<u>2023</u>
Current assets	\$ 1,210,847	\$ 1,280,726
Capital assets, net	<u>2,135,517</u>	<u>2,121,847</u>
Total assets	<u>\$ 3,346,364</u>	<u>\$ 3,402,573</u>
Current liabilities	\$ 6,183	\$ 16,937
Deferred inflows of resources	411,968	462,428
Net investment in capital assets	2,135,517	2,383,513
Restricted net position	7,000	12,427
Unrestricted net position	<u>785,696</u>	<u>527,268</u>
Total net position	<u>2,928,213</u>	<u>2,923,208</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,346,364</u>	<u>\$ 3,402,573</u>

Changes in Net Position

Changes in net position of the Yuma County Fire Protection District as of December 31, 2024 and 2023 are shown in Table 2 below.

	<u>2024</u>	<u>2023</u>
Revenues		
Program revenues		
Operating grants and contributions	\$ 22,924	\$ -
General revenues		
Property and related taxes	501,478	501,858
Earnings on investments	3,780	3,370
Gain on sale of assets	3,750	-
Other	<u>26,018</u>	<u>64,184</u>
Total revenues	557,950	569,412
Expenses		
General government	93,915	105,415
Public safety	245,640	195,621
Depreciation	<u>213,390</u>	<u>235,600</u>
Total expenses	<u>552,945</u>	<u>536,636</u>
Change in net position	<u>\$ 5,005</u>	<u>\$ 32,776</u>

Fund Financial Analysis

The focus of the District's governmental fund reporting is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of the most recent fiscal year, the District's General Fund reported an ending fund balance of \$494,586, an increase of \$63,106 in comparison with the previous year. Approximately 99% of this total amount, \$487,586, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed to cover the state constitutionally mandated 3% TABOR reserve of \$7,000.

As of the end of the most recent fiscal year, the District's Capital Improvements Fund reported an ending fund balance of \$298,110, a decrease of \$71,771 in comparison with the prior year. The entire fund balance has been committed to spending on capital projects at the government's discretion.

General Fund Budgetary Highlights

The District's annual budget is the legally adopted expenditure control document. A budgetary comparison statement is required for the General and Capital Improvements Funds. This statement compares the original adopted budget, the budget if amended throughout the fiscal year, and the actual revenues and expenditures prepared on the budgetary basis. Budget variances are summarized as follows:

Total actual revenue was higher than budgeted primarily due to specific ownership taxes coming in higher than anticipated, while the State property tax backfill funds and insurance proceeds were not anticipated at the time the budget was adopted.

Total actual expenditures were higher than budgeted primarily due to repair and maintenance costs coming in higher than anticipated.

Required Supplementary Information

In addition to the basic financial statements and notes, this report also presents other supplementary information concerning the Yuma County Fire Protection District's annual budget and comparison to actual revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, at the end of the year was \$2,135,517. This investment in capital assets includes land, fire station buildings, fire trucks and equipment.

Debt Administration

The District has no long-term debt obligations.

Currently Known Facts, Decisions, or Conditions

Currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position (net position) or results of the District's operations (revenues, expenses and other changes in net position) include:

The District's expenditure budget as adopted and appropriated for 2025 for the General and Capital Improvements Funds are \$296,291 and \$501,291, respectively, representing increases of \$20,347 and \$153,284, respectively, when compared to the current year adopted and appropriated amounts.

The General Fund budget for 2025 includes \$150,000 for repairs and maintenance, while the Capital Improvements Fund budget for 2025 includes \$120,000 for capital expenditures, \$200,000 for the Armel building update and \$150,000 for the truck replacement plan.

Requests for Information

This financial report is designed to provide a general overview to taxpayers, citizens, residents, funders and any others interested in the Yuma County Fire Protection District's finances. Accountability for the funds received and expended by the Yuma County Fire Protection District is taken very seriously. Questions or concerns regarding any of the information provided in this report or requests for additional financial information should be addressed to the Yuma County Fire Protection District, P.O. Box 7, Idalia, CO 80735.

Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

YUMA COUNTY FIRE PROTECTION DISTRICT
Statement of Net Position
December 31, 2024

	Governmental Activities
Assets	
Cash	\$ 778,687
Cash with county treasurer	3,357
Other receivables	16,835
Property taxes receivable	411,968
Capital assets, net of accumulated depreciation	<u>2,135,517</u>
Total assets	<u><u>\$ 3,346,364</u></u>
Liabilities	
Accounts payable	<u>\$ 6,183</u>
Total liabilities	6,183
Deferred inflows of resources	
Deferred property tax revenues	<u>411,968</u>
Total deferred inflows of resources	411,968
Net position	
Net investment in capital assets	2,135,517
Restricted for emergencies	7,000
Unrestricted	<u>785,696</u>
Total net position	<u>2,928,213</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 3,346,364</u></u>

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

YUMA COUNTY FIRE PROTECTION DISTRICT
Statement of Activities
For the Year Ended December 31, 2024

	Governmental Activities
Expenses	
General government	\$ 93,915
Public safety	245,640
Depreciation	213,390
	<hr/>
Total expenses	552,945
Program revenues	
Operating grants and contributions	22,924
	<hr/>
Total program revenues	22,924
	<hr/>
Net program expense	530,021
General revenues	
Property taxes, levied for general purposes	272,918
Property taxes, levied for capital purposes	181,945
Specific ownership taxes	45,649
Delinquent taxes and interest	471
Impact fees	345
Payment in lieu of taxes	150
Earnings on investments	3,780
Gain on sale of assets	3,750
Miscellaneous	26,018
	<hr/>
Total general revenues	535,026
	<hr/>
Change in net position	5,005
Net position at beginning of year, as previously reported	3,647,302
Restatement for correction of errors	(724,094)
	<hr/>
Net position at beginning of year, as restated	2,923,208
	<hr/>
Net position at end of year	<u>\$ 2,928,213</u>

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

YUMA COUNTY FIRE PROTECTION DISTRICT
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	Capital Improvements Fund	Total Governmental Funds
Assets			
Cash	\$ 256,133	\$ 522,554	\$ 778,687
Cash with county treasurer	2,014	1,343	3,357
Due from other funds	241,504		241,504
Other receivables		16,835	16,835
Property taxes receivable	164,787	247,181	411,968
Total assets	\$ 664,438	\$ 787,913	\$ 1,452,351
Liabilities			
Accounts payable	\$ 5,065	\$ 1,118	\$ 6,183
Due to other funds		241,504	241,504
Total liabilities	5,065	242,622	247,687
Deferred inflows of resources			
Deferred property tax revenues	164,787	247,181	411,968
Total deferred inflows of resources	164,787	247,181	411,968
Fund balance			
Restricted for emergencies	7,000		7,000
Committed to capital improvements		298,110	298,110
Unassigned	487,586		487,586
Total fund balance	494,586	298,110	792,696
Total liabilities, deferred inflows of resources and fund balance	\$ 664,438	\$ 787,913	\$ 1,452,351

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

Amounts reported for governmental activities in the statement
of net position are different because:

Total fund balance - governmental funds \$ 792,696

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported as
assets in governmental funds. 2,135,517

Net position of the governmental activities \$ 2,928,213

YUMA COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	General Fund	Capital Improvements Fund	Total Governmental Funds
Revenues			
Taxes	\$ 300,887	\$ 200,591	\$ 501,478
Intergovernmental	13,214	8,810	22,024
Miscellaneous	29,420	1,278	30,698
Total revenues	343,521	210,679	554,200
Expenditures			
General government	88,162	5,753	93,915
Public safety	192,253		192,253
Capital outlay		280,447	280,447
Total expenditures	280,415	286,200	566,615
Excess of revenues over (under) expenditures	63,106	(75,521)	(12,415)
Other financing sources			
Sale of assets		3,750	3,750
Net change in fund balance	63,106	(71,771)	(8,665)
Fund balance at beginning of year	431,480	369,881	801,361
Fund balance at end of year	<u>\$ 494,586</u>	<u>\$ 298,110</u>	<u>\$ 792,696</u>

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance \$ (8,665)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.

13,670

Change in net position of governmental activities

\$ 5,005

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Yuma County Fire Protection District's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units. The District has examined other entities that could be included as defined in numbers 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

General Fund – This fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and intergovernmental revenues. Expenditures include all costs associated with the daily operation of the District.

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

Capital Improvements Fund – This fund is a special revenue fund established to account for resources used for the acquisition and maintenance of capital facilities and equipment. Major revenue sources include local property taxes and specific ownership taxes.

A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds, if applicable.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements (where applicable) but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program of the District's governmental activities. Direct expenses are those that are specifically associated with the program and therefore are clearly identifiable to the particular program. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of the program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which the program is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants and other miscellaneous sources. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial 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 (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

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

A.5 – Encumbrances

The encumbrance system is not utilized by the District.

A.6 – Short-term interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the governmental funds balance sheet.

A.7 – Receivables

No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

A.8 – Capital assets

Capital assets are reported in the government-wide statement of net position, but are not reported in the fund financial statements. All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) will be capitalized on a prospective basis, from 2004. Infrastructure prior to 2004 will not be capitalized.

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Lives</u>
Buildings and improvements	10-40 years
Equipment	5-10 years
Vehicles	15 years

A.8 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

A.9 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

A.10 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires fund balance amounts to be properly reported within one of the fund balance categories listed below:

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of directors (the District's highest level of decision-making authority),

Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of directors through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, followed by committed fund balance, assigned fund balance and unassigned fund balance.

A.11 – Interfund transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions in expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

A.12 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of directors and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

A.13 – Property taxes

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Yuma County bills and collects property taxes for all taxing entities within the County.

Note B – Cash and investments

Cash and deposits – Colorado State Statutes govern the District’s deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government’s name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$786,389, of which \$250,000 were insured and \$536,389 were collateralized with securities held by the pledging institution’s trust department or agent in the District’s name.

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note B – Cash and investments (Continued)

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the District’s own investment policies and procedures. Investments of the District may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At year-end, the District did not hold any investments.

Note C – Interfund transactions

The following is a summary of interfund transactions for the year as presented in the fund financial statements:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General Fund	\$ 241,504	\$ -
Capital Improvements Fund	<u>-</u>	<u>241,504</u>
Total	<u>\$ 241,504</u>	<u>\$ 241,504</u>

All balances resulted from the lag time between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund receivables and payables are eliminated through the transfer of funds from one fund to another.

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note D – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balances, As Restated	Additions	Deletions/ Transfers	Ending Balances
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 3,500	\$ -	\$ -	\$ 3,500
Total capital assets, not being depreciated	3,500	-	-	3,500
Capital assets, being depreciated:				
Buildings and improvements	1,888,720	5,560	-	1,894,280
Equipment	1,387,204	-	-	1,387,204
Vehicles	3,180,651	221,500	(4,812)	3,397,339
Total capital assets, being depreciated	6,456,575	227,060	(4,812)	6,678,823
Total capital assets	6,460,075	227,060	(4,812)	6,682,323
Less accumulated depreciation for:				
Buildings and improvements	(786,817)	(45,319)	-	(832,136)
Equipment	(1,095,857)	(97,676)	4,812	(1,188,721)
Vehicles	(2,455,554)	(70,395)	-	(2,525,949)
Total accumulated depreciation	(4,338,228)	(213,390)	4,812	(4,546,806)
Governmental activities capital assets, net	\$ 2,121,847	\$ 13,670	\$ -	\$ 2,135,517

Note E – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements

Note F – Commitments and contingencies

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 4, 1997, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the amount of \$7,000 for the emergency reserve.

Colorado Local Government Budget Laws

Expenditures in the General Fund exceeded their appropriations by \$4,471, and may be in violation of local government budget laws.

Note G – Restatement of beginning balances

In the prior year, the District made errors in reporting property tax revenues and accumulated depreciation in the Governmental Activities, effectively recognizing revenues that were levied for a future period and reporting depreciation expense and the related accumulated depreciation incorrectly. Accordingly, the beginning net position of the Governmental Activities was restated as follows:

Beginning balance	\$ 3,647,302
Adjustment:	
Increase in deferred property tax revenues	(462,428)
Increase in accumulated depreciation	<u>(261,666)</u>
Adjusted beginning balance	<u>\$ 2,923,208</u>

This page intentionally left blank.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Capital Improvements Fund

YUMA COUNTY FIRE PROTECTION DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 294,957	\$ 294,957	\$ 300,887	\$ 5,930
Intergovernmental			13,214	13,214
Miscellaneous	1,600	1,600	29,420	27,820
Total revenues	296,557	296,557	343,521	46,964
Expenditures				
General government	111,798	111,798	88,162	23,636
Public safety	164,000	164,000	192,253	(28,253)
Appropriated reserves	146	146		146
Total expenditures	275,944	275,944	280,415	(4,471)
Net change in fund balance	\$ 20,613	\$ 20,613	63,106	\$ 42,493
Fund balance at beginning of year			431,480	
Fund balance at end of year			\$ 494,586	

YUMA COUNTY FIRE PROTECTION DISTRICT
Capital Improvements Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 184,971	\$ 184,971	\$ 181,945	\$ (3,026)
Specific ownership taxes	12,000	12,000	18,260	6,260
Delinquent taxes and interest			188	188
Impact fees			138	138
Payment in lieu of taxes			60	60
Total taxes	196,971	196,971	200,591	3,620
Intergovernmental				
State property tax backfill			8,810	8,810
Miscellaneous				
Other revenue			1,278	1,278
Total revenues	196,971	196,971	210,679	13,708
Expenditures				
General government				
County treasurer fees	5,909	5,909	5,728	181
Bank charges			25	(25)
Truck replacement plan	200,000	200,000		200,000
Contingency	25,000	25,000		25,000
Transfers	2,000	2,000		2,000
Donations	5,000	5,000		5,000
Capital outlay	110,000	110,000	280,447	(170,447)
Appropriated reserves	98	98		98
Total expenditures	348,007	348,007	286,200	61,807
Excess of revenue over (under) expenditures	(151,036)	(151,036)	(75,521)	75,515
Other financing sources				
Sale of assets			3,750	3,750
Net change in fund balance	<u>\$ (151,036)</u>	<u>\$ (151,036)</u>	(71,771)	<u>\$ 79,265</u>
Fund balance at beginning of year			<u>369,881</u>	
Fund balance at end of year			<u>\$ 298,110</u>	

YUMA COUNTY FIRE PROTECTION DISTRICT
Notes to the Required Supplementary Information

Note A - Budgets and budgetary accounting

Annual budgets are adopted as required by Colorado Statutes. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

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 of directors may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted.

The following is a summary of the significant dates and procedures used in establishing budgetary data reflected in the financial statements:

- On or before October 15th, the finance committee submits to the board of directors, a proposed budget for the following calendar year.
- A proposed budget is made available for public inspection, and public hearings are conducted to obtain taxpayer comments.
- Prior to December 15th, the District must adopt the budget by formal resolution and certify the mill levy to the County Commissioners.
- On or before December 31st, the District must enact a resolution making appropriations for the following calendar year.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

This page intentionally left blank

Budgetary Comparison Schedules - General Fund

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

YUMA COUNTY FIRE PROTECTION DISTRICT
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 277,457	\$ 277,457	\$ 272,918	\$ (4,539)
Specific ownership taxes	17,500	17,500	27,389	9,889
Delinquent taxes and interest			283	283
Impact fees			207	207
Payment in lieu of taxes			90	90
Total taxes	294,957	294,957	300,887	5,930
Intergovernmental				
State property tax backfill			13,214	13,214
Miscellaneous				
Earnings on investments	100	100	3,780	3,680
Grants and donations			900	900
Insurance proceeds			19,070	19,070
Other revenue	1,500	1,500	5,670	4,170
Total miscellaneous	1,600	1,600	29,420	27,820
Total revenues	\$ 296,557	\$ 296,557	\$ 343,521	\$ 46,964

YUMA COUNTY FIRE PROTECTION DISTRICT
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
General government				
County treasurer fees	\$ 11,798	\$ 11,798	\$ 8,592	\$ 3,206
Insurance	60,000	60,000	51,074	8,926
Professional services	15,000	15,000	10,200	4,800
Miscellaneous administration fees	10,000	10,000	16,446	(6,446)
Contingency and donations	15,000	15,000	1,850	13,150
Total general government	111,798	111,798	88,162	23,636
Public safety				
Firefighting	20,000	20,000	17,873	2,127
Fire prevention	500	500		500
Training	5,000	5,000		5,000
Communications	3,500	3,500	3,938	(438)
Equipment repairs	85,000	85,000	117,380	(32,380)
Stations and building maintenance and utilities	50,000	50,000	53,062	(3,062)
Total public safety	164,000	164,000	192,253	(28,253)
Appropriated reserves	146	146		146
Total expenditures	\$ 275,944	\$ 275,944	\$ 280,415	\$ (4,471)