

DURANGO FIRE PROTECTION DISTRICT

Durango, CO



2023

ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT

Prepared by the Management
of the Durango Fire Protection District,
for the year ending December 31, 2023.

**DURANGO FIRE PROTECTION DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended December 31, 2023**

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INTRODUCTORY SECTION



June 25th, 2024

To the Durango Fire Protection District Board of Directors, Durango City Council, District Residents and Community:

State law requires that governmental entities publish within seven months of the close of each calendar year 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 Durango Fire Protection District for the fiscal year ended December 31, 2023.

This report consists of management's representations concerning the finances of the Durango Fire Protection District. Consequently, management assumes full responsibility for the completeness and reliability of 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 Durango Fire Protection District's financial statements in conformity with US GAAP. As management, we assert to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. Any system of controls has inherent limitations, and the cost of the controls should not exceed the benefits derived. The objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

The Durango Fire Protection District's financial statements have been audited by Haynie and Company, a firm of licensed, certified public accountants who regularly audit governmental entities in Colorado. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Durango Fire Protection District for the fiscal year ended December 31, 2023, 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 reasonable basis for rendering an unmodified opinion and that Durango Fire Protection District's financial statements for the year ended December 31, 2023, are fairly presented in conformity with US GAAP. 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 Durango Fire Protection District's MD&A can be found immediately following the report of the independent auditors.

Profile of the Durango Fire Protection District

The Durango Fire Protection District is located in southwest Colorado in La Plata County and has a service area extending from the New Mexico state line approximately 55 miles north mainly along US Highway 550, and east/west on US Highway 160. The District surrounds the City of Durango, which is served via a contract, but is not in the District proper.

The Durango Fire Protection District began service on January 1, 2014, taking over the provision of fire and emergency services from the Durango Fire & Rescue Authority (DFRA). DFRA was formed in January 2002, through an intergovernmental agreement between the City of Durango, Animas Fire Protection District, Hermosa Cliff Fire Protection District and also included the absorption of the Mercy Hospital Paramedic Ambulance system.



In 2013, after a little over five years of work to implement, a single fire protection district was created and funded with a 15-year contract with the City of Durango. This concept was overwhelmingly approved by the voters of the Fire Districts and the City, and the Durango Fire & Rescue Authority, Animas Fire Protection District, and Hermosa Cliff Fire Protection District were all dissolved and all assets were transferred to DFPD.

The Durango Fire Protection District provides fire suppression (structural, wildland and vehicle), emergency and non-emergency medical service/ambulance service to include patient transport, rescue (water, ice, low and high angle rope, vehicle extrication), fire prevention, fire code enforcement, public education, and hazardous material response.

These services are provided to a fulltime population in excess of 40,000 people in 325 square miles of southwest Colorado. The Durango Fire Protection District is funded by a property tax, specific ownership taxes, contract fees for services, ambulance transport service fees, impact fees, wildland firefighting fees and miscellaneous revenue.

Durango Fire Protection District is governed by an elected board of seven members. The governing Board has fiduciary responsibilities, sets policy, and works with the Chief in establishing goals. The Board is responsible for hiring the Chief of the Department. The Chief is responsible for carrying out the policies of the Board, for management and supervision of the day-to-day operations, and for managing its employees and members.

The annual budget and budget process serve as the foundation for the Durango Fire Protection District's financial planning and control. The District Board of Directors holds a public hearing and adopts its final budget no later than December 15th each year.

Appropriations for the budget are adopted on a total fund basis (General Fund and Capital Projects Fund). The Board of Directors may make additional appropriations during the budget year for expenditures required, but not more than the amount of actual revenues exceeding budgeted revenues and unappropriated 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 General Fund to carry out the goals and objectives of the Board of Directors and the Durango Fire Protection District.

Factors Affecting Financial Condition

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

Local Economy

La Plata County and the City of Durango have experienced steady population growth over the last 10 years with the population of the county increasing 7% and the population of the city increasing 12% since 2012. In the same time period, per capita personal income has increased by 42% and the median home price in the county has doubled reaching \$769,000 in 2023. At the end of 2023, the unemployment rate in La Plata County was 3.0%.

Durango is the largest town in La Plata County and is a regional destination for shopping and entertainment and is also home to Fort Lewis College, a four-year liberal arts college with a student body of approximately 3,800 and faculty and staff of 772. The area is also a regional, national, and international tourist destination with well-known tourist attractions such as the Durango-Silverton Narrow Gauge Railroad and Mesa Verde National Park, numerous opportunities for outdoor recreation, and a ski area. Fort Lewis College Department of Economics has estimated that tourism generates approximately 27% of all economic activity in La Plata County.



La Plata County suffered a similar slowdown to many other areas due to Covid, however; the years since have seen an increase in housing demand potentially due to the attractiveness of the area related to higher population areas.

History of Our Finances

Property taxes are one of the major sources of revenue for the District and the fees paid by the City of Durango for fire protection and emergency services are based on property valuations. In November of 2017, the electorate of the Durango Fire Protection District as well as the citizens of the City of Durango overwhelmingly voted to increase the mill rate for fire protection by 2.5 mills. The mill rate for the property owners in the District increased from 5.7 mills to 8.2 mills. The City residents approved the increase in property tax of 2.5 mills to supplement the 5.7 paid by the City from the General Fund.

The result of the increase in mill rate allowed the District to plan for and budget capital replacements of both rolling stock and fire stations which were not previously attainable. It also allowed us to increase staffing levels and bring pay rates for employees closer in line with state averages. In 2019 the City Council of Durango approved a Fire Impact Fee designed to fund needed capital projects and cause new growth in the community to assist in expanding fire and EMS resource availability as our community grows. In 2022, La Plata County and the portion of our district within San Juan County followed suit imposing Impact Fees.

In 2020 the District was able to complete the first addition and remodel of a fire station in the past 20 years with the new capital improvement funds. Fire Station 3 was started in 2018 and completed in 2020. This project was followed directly by the construction of a new fire training facility which was completed in 2021.

Current Projects

We are currently under construction to replace the downtown fire station with a new, safe and modern firehouse, for \$12.5M. It will be the third capital project since the mill levy increased. The station will be funded via Certificates of Participation, with semi-annual payments payable over 15 years. This is the first debt financing by DFPD, and we were fortunate to get a great interest rate of 3.77%. This project allows us to continue with our Capital Improvement Plan, replacing aged and outdated vehicles.

For rolling stock, we have ordered or replaced all of our front-line fire engines. The final engines should arrive in late 2024 and early 2025. That will set us up for a standard engine setup and response, with current, manufacturer supported fire engines. In addition, we have been purchasing one ambulance per year to maintain our fleet. The ambulances get much higher miles put on them than fire apparatus, due to transports to the ER from medical calls, as well as responding on most fire calls.

Major Initiatives

In the near future, we have a need for a new fire station and crew in the Three Springs area. With the realignment of Highway 550 and the increase in development and call volume in the area, it is already creating a demand for service that justifies a paid crew. We own a piece of property and have the building generally designed. We need to identify the funding for the building and the crew, as neither fit in our current budget or revenue stream.

Two of our three ladder trucks are 27 years old, with the third being a recent purchase in 2021. Although our Fleet/Facility department does an amazing job keeping the trucks running and passing both the UL Ladder test and the annual pump test, they are getting harder to keep in service due to a lack of support and parts from the manufacturer. Our organization should have, by ISO standards, 4 ladder trucks with one spare. We do not have the funding to support that inventory.



The District has been experiencing the same staffing issues faced by many other fire departments. The combination of high and increasing housing costs in the area with the inability to match pay rates with fire departments in larger metropolitan areas has made it difficult to get to and maintain full staffing. The strong inflation of the past few years has put tremendous pressure not only on capital costs but also operating costs

There will continue to be pressure on revenues as the assessment rates for property tax are constantly being reduced by the State legislature. In the interest of "lowering taxes" they are reducing our revenue towards unsustainable levels. This decline was partially offset by increases in market valuations in 2023 and new construction, but the reductions are continuing each legislative session and in elections. Durango Fire will need to find the correct funding source soon to address the demands for service in our growing town and allow us to continue to provide excellent service to our community.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Durango Fire & Rescue Authority for its comprehensive annual financial report for the fiscal years ended December 31, 2002 – 2006 then in 2010 – 2022. 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.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to Haynie & Company, the firm that serves as the Durango Fire Protection District's external auditors.

I would like to recognize the Durango Fire Protection District's Board of Directors for their unfailing leadership, its fiscal responsibility and dedication to the highest standards of professionalism and management for the District.

Respectfully submitted,

A handwritten signature in blue ink that reads "Randy Black".

Randy Black,
Fire Chief

A handwritten signature in blue ink that reads "Eric Baker".

Eric Baker,
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Durango Fire Protection District
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

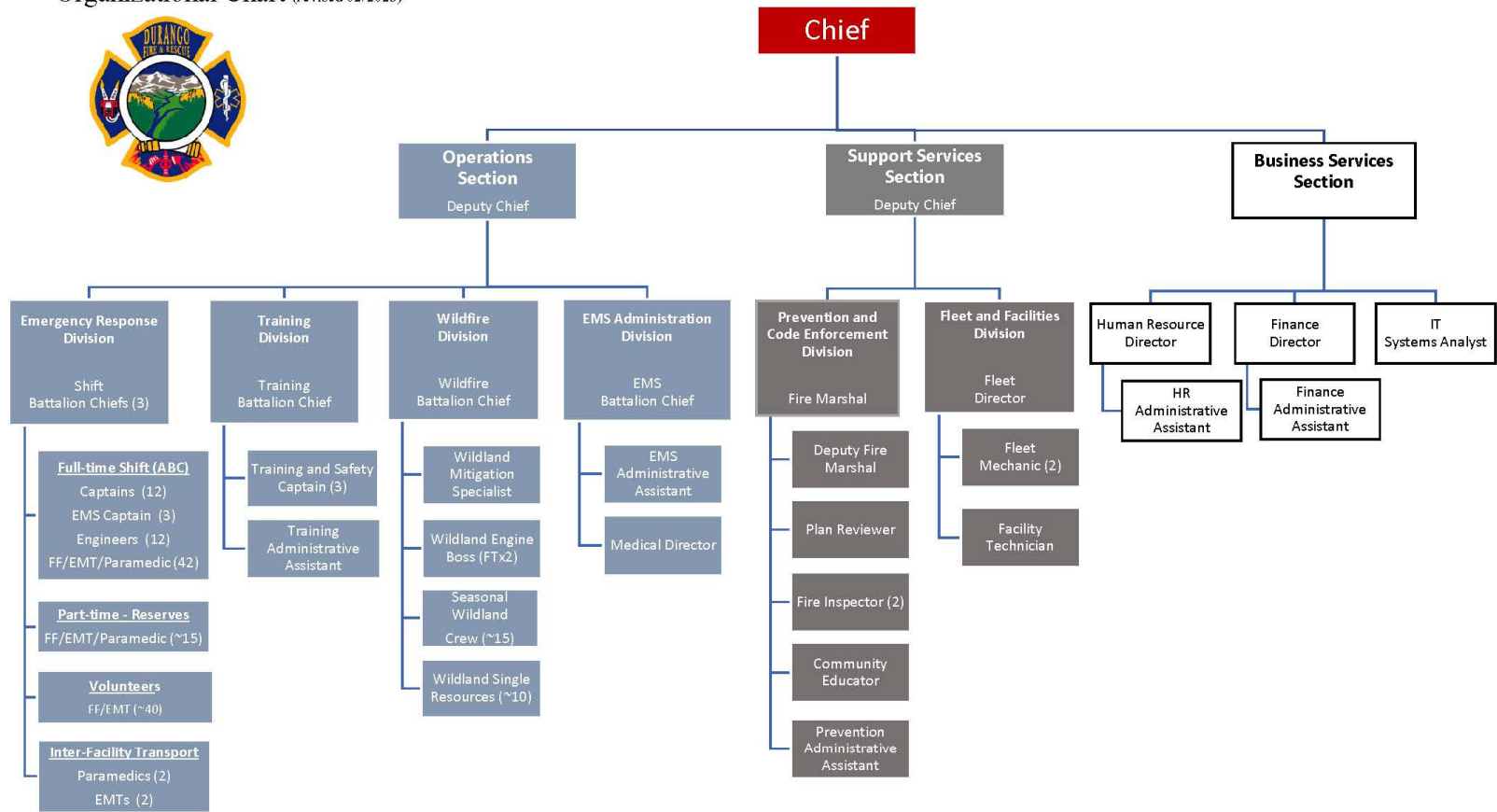
December 31, 2022

Christopher P. Morill

Executive Director/CEO

Durango Fire & Rescue

Organizational Chart (revised 02/2023)



DURANGO FIRE PROTECTION DISTRICT 2023 ELECTED OFFICIALS

DURANGO FIRE PROTECTION DISTRICT BOARD

Karen Barger, Chairperson

John Dezendorf

Rob Farino

Samantha Gallagher

Steve List

Tina McCallum

Lyle McKnight

DURANGO FIRE PROTECTION PENSION BOARD

Karen Barger, Chairperson

Jameson Bobbin

John Dezendorf

Rob Farino

Samantha Gallagher

Steve List

Bill Luthy

Tina McCallum

Lyle McKnight

OUR CONTRACTING PARTNER 2023 ELECTED OFFICIALS

CITY OF DURANGO

Melissa Youssef, Mayor

Olivier Bosmans

Jessika Buell

Gilda Yazzie

Dave Woodruff

FINANCIAL SECTION



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Board of Directors and Management
Durango Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Durango Fire Protection District for the year ended December 31, 2023 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 Durango Fire Protection District, as of December 31, 2023 and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Durango Fire Protection District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Durango Fire Protection District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information, as listed in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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.

Sincerely,



Littleton, Colorado
June 25, 2024

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2023

As the financial management of the Durango Fire Protection District (the "District"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2023. This discussion and analysis is designed to assist the reader in focusing on the significant accomplishments, financial issues and activities, and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of its fiscal year ended December 31, 2023 by \$31,070,430 (net position). Of this amount \$6,399,869 is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors in accordance with the District's fiscal policies as more fully described below.
- The net position increased by \$2,853,806 during 2023, compared to an increase of \$4,980,613 during 2022.
- Total revenues for the year ended December 31, 2023 were \$19,032,306 compared to total revenue of \$18,041,618 in 2022.
- The Fund Balance increased by a total of \$854,153 during 2023 and was \$6,891,326 as of December 31, 2023.

The underlying reasons for the changes in the above financial highlights are explained in detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to DFPD's basic financial statements, which 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 readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The governmental activity of the District is primarily providing fire and emergency services for the Durango Fire Protection District and under contract for the City of Durango.

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

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

The government-wide financial statements can be found on pages 21 - 23 of this report.

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2023

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 currently has two funds, the General Fund which is a governmental fund and the Capital Projects Fund which is also a governmental fund.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike 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 government's near-term financing decisions. A reconciliation of the fund balance as reported in the governmental funds as 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 and its Capital Projects Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

The governmental fund financial statements are presented on pages 24 through 27 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Mark Carroll Pension Fund is not reflected in the government-wide financial statements because the resources of the fiduciary fund are not available to support the District's own programs.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 53 of this report.

Required Supplemental Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. These statements can be found on pages 54 through 57 of this report.

Other information: Also, this report presents certain information pertaining to the District's budget for demonstrating legal compliance with budgetary control obligations. This budgetary information can be found on pages 28 and 58 of this report.

Financial Analysis

Statement of net position: Net position, the excess of assets over liabilities, may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$31,070,430 at the close of the most recent fiscal year. The overall net position increased by \$2,853,806 (10.1%). By far the largest portion of the District's net position 76% is its net investment in capital assets which increased from \$22,563,948 at December 31, 2022 to \$23,633,218 at December 31,

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2023

2023. This involved additions in capital assets of \$9,298,557, retirement and sales of assets of \$7,428,131; and depreciation expense of \$1,241,532 with a decrease in accumulated depreciation of \$440,376 related to disposed assets. This was another significant investment in capital in 2023 and is part of our long-term capital replacement plan. These assets include apparatus, vehicles, leasehold improvements, buildings, land and equipment. The District used these capital assets to provide service and consequently, these assets are not available to liquidate liabilities or for other spending.

A decline in the fiduciary net position of DFPD pensions drove a number of changes in the statement of net position year over year. Net pension assets declined by \$4,127,850, deferred outflows related to pensions increased by \$3,316,782, net pension liability increased by \$3,684,579, and deferred inflows related to pensions declined by \$4,695,553 during 2023. The underlying cause of the decline in the fiduciary net position of the pensions was negative investment returns realized during 2022.

Unrestricted net position increased from \$3,358,904 at December 31, 2022 to \$6,399,869 at December 31, 2023 and restricted net position decreased from \$2,293,772 at December 31, 2022 to \$1,037,343 at December 31, 2023. The decline is due to there not being any reserves restricted for pension assets in 2023. The restricted net position consists of \$1,037,343 restricted for emergency reserves.

The following is a condensed comparative summary of the District's net position at December 31:

	<u>2023</u>	<u>2022</u>
Current assets	\$ 16,256,461	\$ 11,578,511
Capital assets	23,633,218	22,563,948
Net pension assets	-	4,127,850
Total assets	39,889,679	38,270,309
Deferred outflow of resources	6,149,007	2,824,244
Total assets and deferred outflow of resources	46,038,686	41,094,553
Current liabilities	1,115,924	793,242
Noncurrent liabilities	4,558,817	1,601,654
Total liabilities	5,674,741	2,394,896
Deferred inflow of resources	9,293,515	10,483,033
Net position		
Investment in capital assets	23,633,218	22,563,948
Restricted	1,037,343	2,293,772
Unrestricted	6,399,869	3,358,904
Total net position	\$ 31,070,430	\$ 28,216,624

Statement of activities: The statement of activities reflects the cost of operation and the charges for services and receipt of grants offsetting those services. The statement of activities for 2023 shows

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2023

expenses of \$16,178,500 with a net expense (after charges for services and grants) of \$8,925,136. Total general revenues were \$11,778,942, leaving a change in net position of \$2,853,806. This is a decline of \$2,126,807 from the change in net position of \$4,980,613. This change is also related to changes in the net fiduciary position of the pensions. A strong improvement in the actuarial estimates for the pensions in 2022 drove over two million dollars of pension income which drove the strong increase in net position during 2022. The decline in the fiduciary net position of DFPD pensions caused by negative investment returns during 2022 cause pension income/expense to return to normal and leaving the increase in net position during 2023 in line with what it has been since 2018.

The following is a condensed comparative summary of the District's statement of activities at December 31:

	<u>2023</u>	<u>2022</u>
General Revenue:		
Property taxes	\$ 5,174,783	\$ 4,954,588
Specific ownership taxes	1,019,568	1,087,206
Contract with City of Durango	4,910,344	4,918,398
Other local taxes	29,948	18,008
Interest	<u>298,779</u>	<u>84,337</u>
Total General Revenue	<u>\$ 11,433,422</u>	<u>\$ 11,062,537</u>
Program Revenue:		
Charges for services	5,715,422	5,277,096
Operating Grants and contributions	119,589	186,937
Capital Grants and contributions	1,418,353	486,632
Gain on sale of assets	134,513	-
In-kind benefits revenue	112,750	952,750
Other	<u>98,257</u>	<u>75,666</u>
Total Program Revenue	<u>7,598,884</u>	<u>6,979,081</u>
Total Revenue	<u>19,032,306</u>	<u>18,041,618</u>
Expenses:		
Public safety	<u>16,178,500</u>	<u>13,061,005</u>
Total Expenses	<u>16,178,500</u>	<u>13,061,005</u>
Changes in Net Position	2,853,806	4,980,613
Net Position - Beginning of Year	<u>28,216,624</u>	<u>23,236,011</u>
Net Position - End of Year	<u>\$ 31,070,430</u>	<u>\$ 28,216,624</u>

Statement of revenues, expenditures, and changes in fund balance: In fiscal year 2023, the District had a deficiency of revenues over expenditures of \$2,776,384 before other financing sources and uses compared to an excess of \$1,232,053 in 2022. This was made up of an excess of revenues over expenditures of \$2,186,587 in the general fund and a deficiency of \$4,962,971 in the Capital Projects Fund.

After a transfer of \$1,750,000 to the Capital Projects Fund, the General Fund had an increase of \$436,587 and the Capital Projects Fund had an increase of \$417,566 after receiving the transfer from the General Fund plus funds from the sale of the real property at 201 E. 12th Street. The property was sold to

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2023

the City of Durango in exchange for real property located at 1235 Camino del Rio and cash. The property at 1235 Camino del Rio was valued at \$2,820,536 and the District received \$3,580,536 in cash. This property is where DFPD will build a new downtown Station 2. In addition, real property was purchased at 103 Sheppard Drive for \$4,019,779 to house Administration offices. The previous Administration building located at 104 Sheppard Drive will be sold in 2024. The total capital outlay for the Capital Projects Fund in 2023 was \$6,352,199. The capital expenditures were part of a plan to spend down the fund balance making needed replacements of rolling stock that was in excess of 20 years old and also investing in fire stations. These capital replacements will continue into 2024 with the planned construction of Station 2.

Expenses for general operations increased by 8.3% during 2023 with the largest increase in Fire fighting due to an increase in response staffing for 2023. Durango Fire also has been feeling the effects of inflation putting pressure on all costs from fuel to medical supplies and has also been pushed to increase pay rates in order to attract qualified personnel experiencing a great deal of competition with agencies in larger cities who are able to afford high pay structures.

Although costs increased revenues increased by an even greater amount (10%) during 2023. Property taxes increased from \$4,954,588 in 2022 to \$5,174,783 an increase of 4.4%. This increase was solely due to new construction as it was not a re-assessment year and would have been higher except for the decrease in assessment rates enacted by the legislature. The largest increase in revenues was an increase in impact fees of \$446,771 over 2022 and ambulance income saw an increase of \$409,251 which was entirely due to an increase in the EMS Supplemental Payment received from the Colorado Department of Health Care Policy & Financing of \$1,500,972 in 2023 compared to \$1,086,442 in 2022. The EMS supplemental payment is designed to reimburse ambulance providers of the cost of providing service to Medicaid beneficiaries. The increase in the supplemental payment is reflective of an increasing proportion of the ambulance services being provided to Medicaid recipients. Rising interest rates provided an additional \$214,442 in interest income in 2023 and grants increased by \$259,866. The purchase of the building at 103 Sheppard Drive brought the opportunity to earn revenue on leases. Along with room for the DFPD Administrative offices, the building also is occupied by three tenants under GSA leases. Offices of the IRS, Social Security Administration, and USGS use space in the building and \$157,736 was earned in rental income and interest on leases during 2023.

Material Changes

On November 7, 2017, the voters of the District agreed to increase the mill levy for the District by 2.5 mills from 5.7 mills to 8.2 mills. The intention of the increase was to compensate for the loss in property tax revenue, to allow the District to cover current operating expenses, to allow room for increased fire personnel, and to allow the District additional revenue for capital replacement of aging equipment and facilities.

Capital Assets and Long-term Debt

Capital Assets. The District's net investment in capital assets as of December 31, 2023 is \$23,633,218. This is an increase of \$1,069,270 (4.7%) from December 31, 2022. Major capital asset events during the current fiscal year included the following:

- (1) Pierce Enforcer PUC Pumper
- (2) RAM 4500 Life Line Ambulances
- (1) Medix MSV-II Ambulance

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- (3) MTS Power Pro Cots with Power Load
- (1) Vermeer BC1500 Brush Chipper
- (1) Diamond C LPD207 Dump Trailer
- (1) Kubota L4060HST-LE Tractor
- (1) SEFAC Vehicle Lift System
- Purchase of property at 103 Sheppard Drive
- Sale of property at 201 E. 12th St. (9-R Administration Building)
- Purchase of 1235 Camino del Rio for construction of Station 2

Additional information on the District's capital assets can be found in Note 4 on page 34 of this report.

Long Term Debt: As of December 31, 2023 and 2022 the District had no long-term debt.

Budget Analysis

Actual expenditures were \$66,582 below budgeted for the General Fund and \$1,123,514 below budgeted for the Capital Projects Fund keeping the District in compliance with State law.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Fire Chief and the Finance Director, Durango Fire Protection District, 142 Sheppard Drive, Durango, CO 81303.

DURANGO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities
Current Assets	
Cash	\$ 746,417
Investments - ColoTrust	4,452,556
Investments - CDs	995,119
Receivables:	
Due from County Treasurer	44,863
Property taxes receivable	6,139,473
Ambulance receivables, net	724,545
Intergovernmental receivables	462,409
Leases receivable	2,547,782
Other receivables	31,348
Pre-paid expenses	111,949
Total current assets	16,256,461
 Noncurrent Assets	
Capital Assets	
Construction in progress	359,705
Non-depreciable assets - Building	2,820,169
Land	2,432,040
Vehicles	15,730,046
Equipment	4,785,503
Building	13,830,279
Accumulated depreciation	(16,324,524)
Capital assets, net	23,633,218
Total noncurrent assets	23,633,218
Total assets	39,889,679
 Deferred Outflows of Resources	
Deferred outflows related to pension	6,118,478
Deferred outflows related to OPEB	30,529
Total deferred outflows of resources	6,149,007
Total assets and deferred outflows of resources	\$ 46,038,686

**DURANGO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION (CONT'D)
December 31, 2023**

	Governmental Activities
Current Liabilities	
Accounts payable	\$ 364,494
Accrued payroll	258,703
Accrued compensated balances	421,110
Other liabilities	<u>71,617</u>
Total current liabilities	<u>1,115,924</u>
Noncurrent Liabilities	
Unearned in-kind benefits	250,000
Net pension liability	3,762,825
Net OPEB liability	124,882
Accrued compensated balances	<u>421,110</u>
Total noncurrent liabilities	<u>4,558,817</u>
Total liabilities	<u>5,674,741</u>
Deferred Inflows of Resources	
Deferred property tax revenue	6,139,473
Deferred inflows related to leases	2,530,848
Deferred inflows related to pension	566,135
Deferred inflows related to OPEB	<u>57,059</u>
Total deferred inflows of resources	<u>9,293,515</u>
Net Position	
Investment in capital assets	23,633,218
Restricted for:	
TABOR Amendment	1,037,343
Unrestricted	<u>6,399,869</u>
Total net position	<u>31,070,430</u>
Total Liabilities Deferred outflows of resources and Net Position	<u>\$ 46,038,686</u>

See accompanying notes.

**DURANGO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023**

<u>Functions/Program Activities</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Governmental activities:					
Public safety	\$ 16,178,500	\$ 5,715,422	\$ 119,589	1,418,353	\$ (8,925,136)
Total governmental activities	<u>16,178,500</u>	<u>5,715,422</u>	<u>119,589</u>	<u>1,418,353</u>	<u>(8,925,136)</u>
			General revenues		
			Property taxes		\$ 5,174,783
			Specific ownership taxes		1,019,568
			Contract with City of Durango		4,910,344
			Other local taxes		29,948
			Total general revenues		<u>11,134,643</u>
			Program revenues		
			Interest		298,779
			Gain on sale of asset		134,513
			In-kind benefits revenue		112,750
			Other		98,257
			Total program revenues		<u>644,299</u>
			Total revenues		<u>11,778,942</u>
			Change in net position		2,853,806
Net position at beginning of the year					<u>28,216,624</u>
Net position at end of the year					<u>\$ 31,070,430</u>

See accompanying notes.

**DURANGO FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET
December 31, 2023**

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 746,417	\$ -	\$ 746,417
Investments - ColoTrust	3,825,190	627,366	4,452,556
Investments - CDs	995,119	-	995,119
Receivables:			
Due from County Treasurer	44,863	-	44,863
Property taxes receivable	6,139,473	-	6,139,473
Leases receivable	-	2,547,782	2,547,782
Ambulance receivables, net	724,545	-	724,545
Intergovernmental receivables	462,409	-	462,409
Due from General Fund	-	420,246	420,246
Other receivables	6,648	24,700	31,348
Prepaid items	111,949	-	111,949
Total assets	<u>\$ 13,056,613</u>	<u>\$ 3,620,094</u>	<u>\$ 16,676,707</u>
Liabilities			
Accounts payable	\$ 364,494	\$ -	\$ 364,494
Accrued payroll	258,703	-	258,703
Payable to Capital Projects Fund	420,246	-	420,246
Other liabilities	71,617	-	71,617
Total liabilities	<u>1,115,060</u>	<u>-</u>	<u>1,115,060</u>
Deferred Inflows of Resources			
Deferred property tax revenue	6,139,473	-	\$ 6,139,473
Deferred inflows related to leases	-	2,530,848	\$ 2,530,848
Total deferred inflow of resources	<u>6,139,473</u>	<u>2,530,848</u>	<u>8,670,321</u>
Fund Balance			
Restricted for:			
Emergency reserves	\$ 1,037,343	-	\$ 1,037,343
Committed for:			
Capital projects	200,000	1,089,246	1,289,246
Unassigned	4,564,737	-	4,564,737
Total fund balance	<u>5,802,080</u>	<u>1,089,246</u>	<u>6,891,326</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 13,056,613</u>	<u>\$ 3,620,094</u>	<u>\$ 16,676,707</u>

See accompanying notes

**DURANGO FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2023**

Fund Balances - Total Governmental Funds \$ 6,891,326

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund balance sheet. In the statement of net assets, the cost of these assets are capitalized and expensed over their useful lives through annual depreciation.

Governmental capital assets	39,957,742	
Less accumulated depreciation	<u>(16,324,524)</u>	23,633,218

Deferred outflows are not current assets or financial resources; and deferred inflows are not due and payable in the current period and therefore are not reported in the fund balance sheet.

Deferred outflows related to pension		6,118,478
Deferred outflows related to OPEB		30,529
Deferred inflows related to pension		(566,135)
Deferred inflows related to OPEB		(57,059)

Some liabilities, including net pension liability, net pension asset, and compensated absences are not due and payable in the current period and therefore are not reported in the fund balance sheet.

Net pension liability		(3,762,825)
Net OPEB liability		(124,882)
Compensated absences		(842,220)
Unearned in-kind benefits		(250,000)

Net position of governmental activities \$ 31,070,430

See accompanying notes.

**DURANGO FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023**

	General Fund	Capital Projects Fund	Total
Revenues			
Property taxes	\$ 5,174,783	\$ -	5,174,783
Specific ownership taxes	1,019,568	-	1,019,568
Contract with City of Durango	4,910,344	-	4,910,344
Other local taxes	29,948	-	29,948
Other revenues			
Ambulance income, net	4,346,271	-	4,346,271
Fees for services	1,369,151	-	1,369,151
Impact Fees	-	661,351	661,351
Grants	119,589	327,214	446,803
City of Durango contribution for capital	-	272,052	272,052
Rental Income	-	141,725	141,725
Interest from leases	-	16,011	16,011
Interest Income	266,953	31,825	298,778
Miscellaneous income	97,666	592	98,258
Total revenues	<u>17,334,273</u>	<u>1,450,770</u>	<u>18,785,043</u>
Expenditures			
General government			
Fire administration	2,052,357	-	2,052,357
Fire fighting	6,469,131	-	6,469,131
Fire prevention	695,341	-	695,341
Fire training	622,404	-	622,404
Fire communications	148,045	-	148,045
Fire repair services	591,422	-	591,422
Emergency medical services	4,157,231	-	4,157,231
Stations and buildings	285,566	61,542	347,108
Capital outlay	126,189	6,352,199	6,478,388
Total Expenditures	<u>15,147,686</u>	<u>6,413,741</u>	<u>21,561,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,186,587</u>	<u>(4,962,971)</u>	<u>(2,776,384)</u>
Other financing sources and (uses)			
Transfers in (out)	(1,750,000)	1,750,000	-
Sale of assets	-	3,630,537	3,630,537
Total other financing sources and (uses)	<u>(1,750,000)</u>	<u>5,380,537</u>	<u>3,630,537</u>
Net Change in fund balance	436,587	417,566	854,153
Fund balance - Beginning of Year	5,365,493	671,680	6,037,173
Fund balance - End of Year	<u>\$ 5,802,080</u>	<u>\$ 1,089,246</u>	<u>\$ 6,891,326</u>

See accompanying notes.

**DURANGO FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023**

Net change in fund balance - total governmental funds \$ 854,153

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays and disposals, net	2,939,052
Depreciation expense	(1,241,532)

Some revenues reported in the statement of activities are not available to pay for current period expenditures, therefore, are not reported as revenues in governmental funds.

Reduction of deferred revenue for in-kind services	112,750
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Governmental funds report current year contributions to pension plans and OPEB as expenditures. In the statement of activities, the cost of contributions are reclassified to deferred outflows of resources and pension and OPEB expense are reported.

Current year pension and OPEB contributions	1,005,442
Net Pension and OPEB income/expense related to changes in pension assets, liabilities, deferred inflows, and deferred outflows	(783,062)

Compensated absences in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund.

Liability at December 31, 2023	(842,220)
Liability at December 31, 2022	<u>809,223</u>
Change in liability	(32,997)

Change in net position of governmental activities \$ 2,853,806

See accompanying notes.

**DURANGO FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 5,227,708	\$ 5,227,708	5,174,783	\$ (52,925)
Specific ownership taxes	1,000,000	1,000,000	1,019,568	19,568
Contract with City of Durango	4,910,344	4,910,344	4,910,344	-
Other local taxes	15,000	15,000	29,948	14,948
Other revenues				
Ambulance income	6,630,000	6,630,000	7,587,805	957,805
Fees for services	875,000	1,175,000	1,369,151	194,151
Grants	406,000	406,000	119,589	(286,411)
Interest	50,000	50,000	266,953	216,953
Miscellaneous income	60,500	60,500	97,666	37,166
Total revenues	19,174,552	19,474,552	20,575,807	1,101,255
Expenditures				
General government				
Fire administration	1,878,232	1,878,232	2,052,357	(174,125)
Fire fighting	6,177,100	6,477,100	6,469,131	7,969
Fire prevention	702,300	702,300	695,341	6,959
Fire training	649,900	649,900	622,404	27,496
Fire communications	167,100	167,100	148,045	19,055
Fire repair services	612,650	612,650	591,422	21,228
Emergency medical services	7,614,020	7,614,020	7,398,765	215,255
Stations and buildings	254,500	254,500	285,566	(31,066)
Capital outlay	-	-	126,189	(126,189)
Contingency	100,000	100,000	-	100,000
Transfer to capital projects fund	1,000,000	1,750,000	1,750,000	-
Total Expenditures	19,155,802	20,205,802	20,139,220	66,582
Excess of revenues over (under) expenditures	18,750	(731,250)	436,587	1,167,837
Net change in fund balance	18,750	(731,250)	436,587	1,167,837
Fund balance - Beginning of Year			5,365,493	
Fund balance - End of Year			\$ 5,802,080	

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

Note 1 - Summary of significant accounting policies

Reporting Entity – The Durango Fire Protection District (DFPD) is a special district formed under the Special District Act (Title 32, article 1, C.R.S.) with the mission to provide fire protection, emergency medical services, rescue, hazardous material mitigation, prevention, public education and public service in the Durango region. DFPD's service area extends mainly along US Highway 550 from the New Mexico state line north into the southern portion of San Juan County and covers the City of Durango and surrounding areas.

Two thousand and fourteen was the first year of service for DFPD as these services were previously provided by the Durango Fire and Rescue Authority (DFRA). DFRA was established by an intergovernmental agreement between the City of Durango, the Animas Fire Protection District and the Hermosa Cliff Fire Protection District in 2002 with the goal of consolidating the fire and emergency services of the three entities. In addition to the fire protection services traditionally provided by these local governments, the authority assumed operation of an ambulance service that was previously part of Mercy Medical Center.

In 2006, with the success of DFRA providing consolidated operations and the goal of creating the most efficient and effective means of providing fire and emergency services; the founding members of the Authority asked the voters to establish a single fire protection district covering the service area of all three (Animas, Hermosa, and the City of Durango).

At an election held on November 7, 2006 the electors of the Authority members approved the formation of the DFPD and an establishing decree was entered by the District Court for La Plata County. Unfortunately, at the same elections the electors failed to approve a mill levy which would provide funding for the operation of the DFPD, so fire and emergency services continued to be provided by Durango Fire and Rescue Authority.

In November of 2011 the voters again declined to approve an operating mill levy. The Authority Board Members continued to believe that the consolidation of fire and emergency operations was vastly more beneficial to their constituents than each entity providing services independently, so they spent time polling citizens, determining the main objections to funding DFPD, and developed a new plan for approval of funding.

Since the property owners in the City of Durango would be most negatively impacted by a mill levy for the DFPD, the City filed a Petition for Exclusion to exclude all property within the city from DFPD. This petition was granted by the Court. On November 5, 2013 the voters of the remaining unincorporated areas within the DFPD's boundaries approved an operating mill levy of 8.2 mills. At the same election the voters of the City of Durango approved a fifteen-year agreement for DFPD to provide fire and emergency services to the City. Payment is to be made through the City's General Fund rather than by property taxes, and the contractual amount will be determined by multiplying the 8.2 mill levy applied in the unincorporated portion of the District by the assessed valuation of taxable property within the City and a pro-rata share of specific ownership taxes. The effect is that the City pays for fire and emergency services at the same level they would with a mill levy but without the property owners of the City being negatively impacted.

Based on an agreement between the Authority Members (Animas, Hermosa, and the City) and DFRA, outstanding indebtedness of AFD and HCFD was paid, all assets including reserve fund balances were transferred to DFPD, and DFPD began operations on January 1, 2014. Personnel were moved to DFPD. Animas Fire Protection District, Hermosa Cliff Fire Protection District, and Durango Fire and Rescue Authority were dissolved.

A Board of Directors consisting of seven members elected at large governs the District and the authority over daily operations is delegated to a Fire Chief. The Fire Chief is responsible for carrying out the policies of the Board, overseeing daily operations of the District, and hiring the department heads and other staff members.

The District staffs four stations, 24 hours per day, seven days per week. Station One is located in Bodo Industrial Park, Station Two is located in central Durango, Station Three is located in north Durango on

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

County Road 251, and Station Fifteen is located north of Durango and 4 miles south of the Durango Mountain Resort. Each of the staffed stations has a company that includes from four to seven career members: to include a Captain, Engineer, Firefighters and/or Paramedics. The District operates 13 stations staffed by volunteers; five of which are resident volunteer fire stations.

Government-wide and Fund Financial Statements – The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The District, prepares its government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Accordingly, the requirements of Statement of Governmental Accounting Standards No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34 and No. 38, Certain Financial Statement Note Disclosures have been implemented and incorporated in the District’s financial statement presentation.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes and intergovernmental revenues associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

In the fund financial statements, the District reports the following major governmental funds:

General Fund – The District’s primary operating fund. It is currently used to account for the general financial activities of the District.

Capital Projects Fund – The District was established to designate and track funds for purchasing major capital items. The primary funding areas include apparatus purchase, station and facility development or construction and other large capital purchases such as firefighting and communications equipment. The primary source of funding for the Capital Projects Fund is the transfer of funds from the General Fund as designated by the Board of Directors of the Fire District. Payments from the City of Durango for capital

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

contributions, impact fees collected which are to be used for capital purchases, and revenue from the sale of capital assets are included in this fund.

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The District has not established a formal policy for its use of restricted and unrestricted fund balance. However, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted fund balances to have been spent first.

Fund Balance - Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance*- The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance*- The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by resolution adopted by the Board of Directors. The constraint may be removed or changed only by resolution adopted by the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance*- The residual portion of fund balance that does not meet any of the criteria described above. The general fund is the only fund that reports a positive unassigned fund balance amount.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Operating Revenues and Expenses – The Authority's operating revenues and expenses consist of revenues earned and expenses incurred in providing fire protection and emergency medical services. Major sources of operating revenues are property taxes, specific ownership taxes, fees from the District's contract with the City of Durango, and ambulance fees. Property taxes attach as an enforceable lien on property as of December 31 and are levied on January 1 of the following year. Taxes are payable either in two installments due on the last day of February and June 15, or in full on April 30. La Plata County and San Juan County, through their Treasurer's Offices, bill and collect property taxes for the District.

Capital Assets – Contributed Equipment – On December 31, 2013, Animas Fire Protection District, Durango Fire and Rescue Authority, and Hermosa Cliff Fire Protection District transferred all assets to the

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

District. These assets have been valued at historical cost less accumulated depreciation at the date of transfer.

Capitalization Policy – Costs to acquire additional capital assets, which replace existing assets or otherwise prolong their useful lives, are capitalized for equipment, buildings and other related costs and furniture and equipment. The District utilizes a capitalization threshold of \$5,000.

Depreciation Policy – Depreciation of equipment, building improvements, and furniture and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

Heavy vehicles	20 years
Medium vehicles	10 years
Light vehicles	7 years
Equipment	5-7 years
Building improvements	20 years

Accrued Compensated Absences – Accrued compensated absences includes accumulated vacation pay and vested sick leave.

Restricted Net Position – Restricted net position is comprised of emergency reserves required by state TABOR requirements.

Committed Net Position – Committed net position is comprised of impact fee payments received from developers and homebuilders that are restricted for capital purchases, capital contributions from the City of Durango which are restricted by contract for building a new downtown fire station and funds the Board of Directors has committed for capital projects. Funds are committed either through contracts the Board enters on behalf of the District or by formal motions of the Board of Directors.

Deposits and Investments – The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in COLOTRUST Plus+ (an external investment pool) and certificates of deposit.

Investments for the Authority are reported at fair value.

Budgets and Budgetary Accounting – The District follows the following procedures as required by Colorado State Statutes in establishing budgetary data:

The Chief directs the preparation of the proposed budget for the year commencing the following January 1 and submits the proposed budget to the District's Board of Directors in a timely manner. The operating budget includes proposed expenditures and the proposed means for paying for such expenditures.

On or before October 15 of each year the District submits a draft budget to the Board of Directors, setting forth anticipated expenses and revenues necessary to fund the District for the following calendar year. The District's proposed budget specifies the amount of funding, along with the method of calculation of fees, sought from the City of Durango to fund the District's operation.

A public hearing on the proposed budget must be held by the District prior to December 15th before final adoption of the budget is required.

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

Appropriations for the budget are adopted on a total fund basis (General Fund). The Board of Directors may make additional appropriations during the budget year for expenditures; however, appropriations may not be in excess of available revenues and beginning fund balance. The Board of Directors made three additional appropriations in 2023.

The budget is adopted on the modified accrual basis of accounting.

Appropriations lapse at the end of the year.

New Accounting Pronouncements

The GASB has issued the following statements with a 2023 implementation: No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." - No impact; No. 96, "Subscription-Based Information Technology Arrangements." – No impact; No. 99, "Omnibus 2022." – No impact

Statements with a 2024 implementation: No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62." – No impact; No. 101, "Compensated Absences." – No significant impact.

Note 2 – Deposits and Investment

Deposits – The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts deposited in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the 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 uninsured public deposits as a group. The fair value of the collateral must be equal to 102% of the aggregate uninsured deposits.

Federal Deposit Insurance Corporation coverage for government accounts is \$250,000 per official custodian. At December 31, 2023, the District's cash deposits had a book balance of \$746,417 and a corresponding bank balance of \$746,166. 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, \$250,000 was covered by federal depository insurance. The remainder of the bank balance, \$496,166, was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

Investments – At December 31, 2023 the District had investments of \$5,829,180 in the Mark Carroll Pension Fund held by the Members Benefit Investment Fund of the Fire and Police Pension Association of Colorado, an external investment pool. The Colorado Division of Securities administers and enforces the requirements creating and operating FPPA. At December 31, 2023 the District had investments in a Colotrust Plus+ pool of \$4,452,556 held by Colotrust of Colorado an external investment pool. The Colorado Division of Securities administers and enforces the requirements creating and operating Colotrust. The reported value of these pools is the same as the fair value of the pools shares and is measured at the net asset value. Credit risk and interest risk information is not available for the FPPA Members Benefit Investment Fund external investment pool. The Colotrust Plus+ is rated AAAm by Standard and Poor with an average maturity of 35 days.

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

The District's investments reported on the financial statements are summarized as follows:

Investment	Less than 1 yr	1 - 5 years	Total	% Portfolio
Certificates of Deposit	\$ 482	\$ 994,637	\$ 995,119	100%

Interest Rate Risk – In order to minimize the risk that the fair value of securities in the portfolio will fall due to changes in market interest rates, the District's investment policy requires the investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The policy also emphasizes investing in shorter-term securities, money market mutual funds, or similar investment pools.

Note 3 – Due From Governmental Agencies

Due from governmental agencies consists of the following:

	2023
National Wildland Fires	\$ 303,100
Federal grants receivable	\$ 17,043
City of Durango - SOT Calculation	142,266
Totals	<u>\$ 462,409</u>

Note 4 – Capital Assets

Capital assets are summarized as follows:

	<u>January 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2023</u>
Depreciable assets				
Vehicles	\$ 14,211,852	\$ 1,698,194	\$ (180,000)	\$ 15,730,046
Equipment	4,570,690	475,189	(260,376)	4,785,503
Buildings and leasehold improvements	11,016,434	2,813,845	-	13,830,279
Non-depreciable assets				
Land	1,226,106	1,205,934	-	2,432,040
Construction in progress	117,791	285,226	(43,312)	359,705
Non-depreciable assets - Building	<u>6,944,443</u>	<u>2,820,169</u>	<u>(6,944,443)</u>	<u>2,820,169</u>
	<u>38,087,316</u>	<u>9,298,557</u>	<u>(7,428,131)</u>	<u>39,957,742</u>
Accumulated depreciation				
Vehicles	(8,838,115)	(605,118)	180,000	(9,263,233)
Equipment	(3,012,641)	(354,831)	260,376	(3,107,096)
Buildings and leasehold improvements	<u>(3,672,612)</u>	<u>(281,583)</u>	<u>-</u>	<u>(3,954,195)</u>
	<u>(15,523,368)</u>	<u>(1,241,532)</u>	<u>440,376</u>	<u>(16,324,524)</u>
Total capital assets	<u>\$ 22,563,948</u>	<u>\$ 8,057,025</u>	<u>\$ (6,987,755)</u>	<u>\$ 23,633,218</u>

The District utilizes a capitalization threshold of \$5,000.

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

In late 2021, the District purchased real property located at 201 E. 12th Street from the Durango School District 9-R with the intention of remodeling the 9-R Administration building for Fire District Administration and building a replacement for the downtown Station 2. As this property was purchased with the intention of performing a major remodel of one of the existing buildings as well as tearing down the other building and replacing it with a new fire station, this asset was not depreciated in 2021 and was not put into service in 2022. A portion of the purchase price (\$1,943,750) was a consideration of in-kind benefits. The amount of the in-kind benefits was included in the value of the asset and a liability was booked for the same amount. Revenue in the amount of \$952,750 was recognized in 2022, and revenue of \$112,750 was recognized in 2023. This revenue came from the performance of in-kind benefits of parking, use of conference rooms, and safety walk throughs exchanged in the original transaction. In addition there was a revaluation of the value of the in kind benefits reducing the value of the asset and the liability by \$628,500, which reduced the deferred in-kind benefits liability to \$250,000 as of December 31, 2023.

Note 5 – Pensions

The District currently maintains four (4) separate pension and retirement plans. The plans cover paid participating firefighters hired prior to associating with FPPA ("Old Hires" prior to January 1, 1993), new hires, paid administrative personnel and all volunteer firefighters. On January 1, 1993, the District's local volunteer and "old hire" Pension Fund affiliated with the Fire and Police Pension Associations' (FPPA) Fire and Police Members' Benefit Fund under the Colorado Revised Statutes, 31-30-005(l)(k), as amended, at which time all plan assets were transferred to FPPA for administrative purposes. Under the FPPA affiliation agreement, the District is responsible for the collection and transmission of all contributions to the local Pension Fund. The FPPA is responsible for the physical safekeeping and investing of such contributions as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the plan.

In the Statement of Net Position, all net pension liabilities have been aggregated and reported as follows:

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer Plan	\$ 0	\$ 1,008,887	\$ 951,120	\$ 482,802
FPPA Plan	0	591,071	3,999,413	72,550
PERA Plan	<u>0</u>	<u>2,162,867</u>	<u>1,167,945</u>	<u>10,783</u>
Total	\$ 0	\$ 3,762,825	\$ 6,118,478	\$ 566,135

As of December 31, 2022, the deferred inflows and outflows of resources resulting from all pension plans are comprised as follows:

Deferred outflows of resources:	
Difference between actual and projected investment earnings	\$ 3,003,858
Difference between actual and expected experience	1,279,463
Changes in assumptions	785,107
Changes in proportionate share	65,485
Contributions received after measurement date	<u>984,565</u>

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

Total deferred outflows of resources	<u>\$ 6,118,478</u>
Deferred inflows of resources:	
Difference between actual and expected experience	\$ 96,865
Difference between actual and projected investment earnings	<u>469,270</u>
Total deferred inflows of resources	<u>\$ 566,135</u>

Deferred outflows of resources of \$984,565, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

2024	\$ 220,202
2025	737,473
2026	1,220,488
2027	1,814,911
2028	232,812
Thereafter	<u>341,893</u>
Total	<u>\$ 4,567,779</u>

The total pension plan expense for 2023 was \$784,658.

Volunteer Plan

The District's active volunteer firefighters participate in a non-contributing, single-employer pension plan administered by a Board of Trustees, which includes District Board members and volunteer firefighters.

The benefit provisions and plan requirements were established by Colorado Revised Statutes and the Board of Trustees has adopted the following schedule of monthly benefits which was in effect at December 31, 2023:

Age and service retirement after age 50 with 20 years of credit service

(Effective January 1, 2017).	\$800
Surviving spouse death benefit:	\$400
Lump-sum death benefit	\$1,500

Total covered payroll for this plan for 2023 was \$-0-. In 2023, the District contributions were \$139,958 towards meeting the unfunded liability. In addition, the State contribution was \$38,552.

An actuarial valuation is performed every two years to determine the pension benefit obligation. The latest available actuarial valuation was performed as of January 1, 2023. The measurement date was December 31, 2022. The following assumptions were used in computing the pension benefit obligation for this plan:

- Rate of return on investments and discount rate: 7.0%
- Actuarial Method: Entry Age Normal
- Amortization Method: Level Dollar, Open
- Remaining amortization period: 20 years
- Asset Valuation Method: 5-Year smoothed fair value
- Inflation: 2.5%

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

- Mortality: Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Plan membership as of January 1, 2023 was as follows:

Active members	21
Retirees and beneficiaries	92
Inactive, non-retired members	<u>6</u>
Total	119

As of December 31, 2023, the deferred inflows and outflows of resources resulting from the Volunteer Pension plan are comprised as follows:

Deferred outflows of resources:	
Difference between actual and projected investment earnings	\$ 783,297
Changes in assumptions	27,865
Contributions received after measurement date	<u>139,958</u>
Total deferred outflows of resources	<u>\$ 951,120</u>

Deferred inflows of resources:	
Difference between actual and expected experience	\$ 13,532
Difference between actual and projected earnings	<u>469,270</u>
Total deferred inflows of resources	<u>\$ 482,802</u>

Deferred outflows of resources of \$139,958, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

2024	\$ (16,318)
2025	44,143
2026	104,710
2027	195,825
2028	-
Thereafter	<u>-</u>
Total	<u>\$ 328,360</u>

The Volunteer pension plan expense for 2023 was \$71,704. The net pension liability is impacted by a change in the discount rate as follows:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 1,679,781	\$ 1,008,887	\$ 441,865

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

Changes in Net Pension Liability for the measurement period ended December 31, 2022:

Total Pension Liability:		
Service cost		\$ 63,252
Interest on the total pension liability		453,630
Benefit changes		-
Difference between expected and actual experience		(30,070)
Changes of assumptions		61,922
Benefit payments		<u>(539,040)</u>
Net change in total pension liability		9,694
Total pension liability - beginning		<u>6,714,295</u>
Total pension liability - ending (a)		<u>6,723,989</u>
Total Fiduciary Net Position:		
Contributions - employer		\$ 139,958
Net investment income		(528,114)
Benefit payments		(539,040)
Administrative expense		(32,303)
State of Colorado supplemental discretionary payment		<u>38,552</u>
Net change in plan fiduciary net position		\$ (920,947)
Plan fiduciary net position - beginning		<u>6,636,049</u>
Plan fiduciary net position - ending (b)		<u>\$ 5,715,102</u>
Net pension liability/(asset) - ending (a) - (b)		<u>\$ 1,008,887</u>
Plan fiduciary net position as a percentage of total pension liability		85.00%

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. Best estimates of arithmetic nominal rates of return for each major asset class included in the fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35%	8.93%
Private Markets	34%	10.31%
Absolute Return	9%	6.49%
Fixed Income - Rates	10%	5.45%
Long Short	6%	7.47%
Fixed Income - Credit	5%	6.90%
Cash	1%	3.92%
Total	<u>100%</u>	

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

"Old Hire" Employee Plan

Plan Description: The District no longer contributes to the City of Durango Old Hire Firemen Plan ("Old Hire Plan") a cost sharing, multiple-employer, defined benefit plan. The City of Durango, Colorado ("City") makes contributions to those certain paid firefighters and policemen hired by the City prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of the City Council of the City. The Old Hire Plan is administered by the Fire and Police Pension Association of Colorado ("FPPA") Title 31 of the Colorado Revised Statutes, as amended, assigns the authority to establish and amend benefit provisions of the plan to the City Council with input of the Pension Board. FPPA issues a publicly available annual financial report that includes the assets of the plans and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111, or by calling FPPA at 1-800-770-3772.

Funding Policy: The District has no employees that are members in the Old Hire Plan. The plan received a favorable determination for a Deferred Retirement Option Plan (DROP) amendment from the Internal Revenue Service in December of 2001. The amendment allows active members to elect to have a monthly benefit, along with their current employee contributions to the plan (8%), deposited into a separate account while they continue to be employed. However, they must terminate from the District no later than five years after the election. The District has no contribution requirement due to this amendment.

Pension Assets, Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: The City of Durango records the pension liabilities for this pension on their financial statements.

Paid Fire Personnel Plan

The District contributes to the Statewide Defined Benefit Plan.

Plan Description: The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), 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, 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.

The SWDB assets are included in the Fire & Police Members' Benefit Investment Fund and assets. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Description of Benefits: 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).

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
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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 annual through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increased 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers were contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 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.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.0 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

For the year ended December 31, 2023, covered employees contributed \$741,391 on a base salary of \$6,241,728. The District contributed an additional \$589,978 to the plan on covered employees' behalf.

The following is based on an actuarial study completed as of January 1, 2023. The measurement date is December 31, 2022. The following assumptions were used in computing the pension benefit obligation for this plan:

- Rate of return on investments and discount rate: 7.0%
- Actuarial Method: Entry Age Normal
- Amortization Method: Level % of payroll, open
- Amortization period: 30 years

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

- Projected salary increases: 4.25%-11.25%
- Inflation: 2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the PUB-2010 Safety Health Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projections 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, and are projected prospectively using the ultimate rates of the scale for all years. 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.

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 SWDB 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.

As of December 31, 2023, the deferred inflows and outflows of resources resulting from the SWDB plan are comprised as follows:

Deferred outflows of resources:	
Difference between actual and projected investment earnings	\$ 1,337,576
Difference between actual and expected experience	1,279,464
Changes in assumptions	757,242
Changes in proportionate proportion and differences between	
Contributions recognized and proportionate share of contributions	35,153
Contributions received after measurement date	<u>589,978</u>
Total deferred outflows of resources	<u>\$ 3,999,413</u>
Deferred inflows of resources:	
Difference between actual and expected experience	<u>\$ 72,550</u>
Total deferred inflows of resources	<u>\$ 72,550</u>

Deferred outflows of resources of \$589,978, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

2024	\$ 307,634
2025	560,267
2026	792,563
2027	1,101,716
2028	232,812
Thereafter	<u>341,892</u>
Total	<u>\$ 3,336,884</u>

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

The employer share of net pension liability as of the reported period ended December 31, 2023 was \$591,071. The employer proportion was 0.67% based on Employer Contributions, slightly lower than what it was the prior year. The SWDB pension expense for the period ending December 31, 2023 was \$464,505.

The net pension liability (asset) is impacted by a change in the discount rate as follows:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	\$ 4,074,765	\$ 591,071	\$ (2,294,556)

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Private Markets	34.0%	10.31%
Fixed Income - Rates	10.0%	5.45%
Fixed Income - Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Cash	1.0%	3.92%
Total	100.0%	

Administrative Personnel Plan

Plan Description: The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67 and is administered by the Public Employees' Retirement Association of Colorado ("PERA"). PERA issues a publicly available comprehensive annual financial report that can be obtained at HYPERLINK "<http://www.copera.org/investments/pera-financial-reports>".

Brief Description of Benefit Provisions: Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 CCR 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

The Trust Fund serves as a defined benefit retirement plan where retirees receive a monthly benefit for their lifetime, and generally, an annual increase each year, as eligible. Members of affiliated employers are eligible to receive a lifetime monthly retirement benefit when certain age and service credit requirements are met. These eligibilities vary by the membership date and consider credited service at key dates. The benefits are based upon a defined or fixed multiplier, age, years of credited service, and highest average salary (HAS).

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

For most employees, HAS, as of December 31, 2022, is one-twelfth of the average of the highest annual salaries that are associated with three periods (five periods, under certain circumstances) of 12 consecutive months under PERA-covered employment. The basic retirement benefit equals 2.5% x HAS x Years of Service. If a member reaches early retirement eligibility and wishes to begin benefit payments prior to achieving the full retirement requirements, then the monthly amount is reduced to consider the early receipt of monthly payments.

Alternatively, if greater, a lifetime benefit is available that is calculated by annuitizing the member's account. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree's death to a named beneficiary, and for which the benefit amount is appropriately adjusted.

In addition to retirement benefits, the Trust Fund provides refund opportunities with matching employer dollars, if eligible, when leaving covered employment, and disability retirement and survivor benefits for those meeting certain criteria.

Basis of Presentation: The Schedule of Employer Allocations and Schedule of Collective Pension Amounts (the Schedules) present amounts that are elements of the financial statements of the Trust Fund or its participating employers. Accordingly, they do not purport to be a complete presentation of the fiduciary net position or changes in fiduciary net position of the Trust Fund or its participating employers. The Schedules are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Such preparation requires management of PERA to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ.

The Schedule of Collective Pension Amounts represents collective amounts for the Trust Fund. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date as defined in paragraphs 54, 55 and 57 of GASB Statement No. 68.

Employer Contributions: Employers are required to contribute to the Trust Fund at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq.

Covered employees are required by State statute to contribute 9.0% of their salary (excluding paid overtime and comp time) to the plan. The District contributes an additional or matching 13.74% of covered salary. For the year ended December 31, 2023, covered employees contributed \$151,756 on a base salary of \$1,686,661. The District contributed an additional \$275,506 to the plan on covered employee's behalf.

The collective total pension liability is based upon the December 31, 2021, actuarial valuation, and generally accepted actuarial techniques were applied to roll forward the collective total pension liability to December 31, 2022. The roll forward calculation includes actual benefits, refunds and disability premiums paid for the plan year, interest on the total pension liability, the annual normal cost (also called service cost), changes of benefit terms, differences between expected and actual experience at the end of year, and changes of assumptions or other inputs.

The December 31, 2021, valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation:	2.3%
Real wage growth:	0.7%
Wage inflation:	3.0%

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
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Salary increases	3.2%-11.3%
Long-term investment rate of return, net of pension	
Plan investment expenses	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 (compounded annually)	1.0%
PERA benefit structure hired after 12/31/06	Financed by the Annual Increase Reserve

The discount rate used to measure the total pension liability was 7.25 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, PERA 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.

As of December 31, 2023, the deferred inflows and outflows of resources resulting from the PERA plan are comprised as follows:

Deferred outflows of resources:	
Difference between actual and projected investment earnings	\$ 882,986
Changes in proportionate share	30,331
Contributions received after measurement date	<u>254,628</u>
Total deferred outflows of resources	<u>\$ 1,167,945</u>
Deferred inflows of resources:	
Difference between actual and expected experience	<u>\$ 10,782</u>
Total deferred inflows of resources	<u>\$ 10,782</u>

Deferred outflows of resources of \$254,628, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

2024	\$ (71,114)
2025	133,063
2026	323,215
2027	517,370
2028	-
Thereafter	<u>-</u>
Total	<u>\$ 902,534</u>

The employer share of net pension liability as of the reported period ended December 31, 2023 was \$2,162,867. The employer proportion was 0.21% based on Employer Contributions, identical to the prior

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

year. The pension expense for the period ended December 31, 2023 was \$248,449.

The net pension liability for the plan is impacted by a change in the discount rate as follows:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 3,630,909	\$ 2,162,867	\$ 933,873

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimate of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note 6 – Other Post-Employment Benefits

Summary of Significant Accounting Policies OPEB

Durango Fire Protection District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Eligible employees of Durango Fire Protection District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid. Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit.

Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and Durango Fire Protection District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Durango Fire Protection District were \$20,878 for the year ended December 31, 2023.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023, Durango Fire Protection District reported a liability of \$124,882 for its proportionate share of the net OPEB liability. The collective total OPEB liability is based upon the December 31, 2021, actuarial valuation, and generally accepted actuarial techniques were applied to roll forward the collective total OPEB liability to December 31, 2022. The roll forward calculation includes actual benefits, interest on the total OPEB liability, the annual normal cost (also called service cost), changes of benefit terms, differences between expected and actual experience at the end of year, and changes of assumptions or other inputs.

DURANGO FIRE PROTECTION DISTRICT
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Year Ended December 31, 2023

Durango Fire Protection District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF. At December 31, 2022, the District's proportion was 0.015 percent. For the year ended December 31, 2023, Durango Fire Protection District recognized OPEB benefit of \$1,596. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 16	\$ 30,201
Changes of assumptions or other inputs	2,007	13,783
Net difference between projected and actual earnings on plan investments	7,628	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	13,075
Contributions subsequent to the measurement date	<u>20,878</u>	<u>-</u>
Total	<u>\$ 30,529</u>	<u>\$ 57,059</u>

Deferred outflows of resources, in the amount of \$20,878, related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$ (17,410)
2025	(17,076)
2026	(10,838)
2027	642
2028	(2,199)
Thereafter	<u>(527)</u>
Total	<u>\$ (47,408)</u>

The December 31, 2021, valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 11.3 percent
Long-term investment rate of return, net of OPEB	
plan investment expenses, including price inflation	7.25 percent

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	6.50 percent in 2022, gradually decreasing to 4.50 percent in 2030
Medicare Part A premiums	3.75 percent in 2022, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point. Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A. Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

DURANGO FIRE PROTECTION DISTRICT
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Year Ended December 31, 2023

Mortality assumptions used in the December 31, 2021, valuation for the State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2021, valuation for the Trust Fund, but developed on a headcount-weighted basis. Affiliated employers of these Division Trust Funds participate in the Trust Fund.

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

Males: 97% of the rates for all ages, with generational projection using scale MP-2019.

Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.

The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions. The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016.

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	<u>6.00%</u>	4.70%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the Durango Fire Protection District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 121,347	\$ 124,882	\$ 128,728

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 144,775	\$ 124,882	\$ 107,867

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

Note 7 – Risk Management

Property, Casualty and Worker Compensation Insurance - 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 Colorado Special Districts Property and Liability Pool is a public entity risk pool currently operating as a common risk management and insurance program for special districts in Colorado. The District, as a member of the pool, pays annual premiums to the pool for workers compensation insurance coverage. The by-laws and intergovernmental agreement of the pool states that the pool will provide coverage through pooling of self-insured losses and purchase of stop-loss insurance coverage.

The pool has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The pool has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Ultimate liability to the District resulting from claims not covered by the pool is not presently determinable. Management and the District's attorney are of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the District's financial statements.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the District's insurance coverage during the past year.

Employee Medical Insurance – The District moved from a self-insurance program for employee medical claims to coverage through the Colorado Benefit Trust (CEBT). CEBT is a multiple employer trust for public institutions providing employee benefits. Premiums are paid to CEBT and medical claims are processed and paid by CEBT. The District provides employee and dependent coverage.

Note 8 – EMS Accounts Receivable

Revenues for emergency medical services are reported net of allowances and uncollectible amounts. The uncollectible amounts for the year ended December 31, 2023 were \$3,241,534 on total charges of \$7,587,805. At December 31, 2023 the allowance for uncollectibles was \$257,269 on total gross receivables of \$981,814.

Note 9 – Net Position

Restricted net position – State statutes (TABOR) requires the District restrict 3% of fiscal year spending as an emergency reserve. This reserve can only be spent on a declared emergency which excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases.

Committed net position – The development agreements that allow the District to collect impact fees from several subdivisions require that these funds be restricted for capital expenditures. In addition, the contract for fire and emergency services with the City of Durango requires that the annual capital contribution from the City be used to build a new downtown fire station. The balance of committed net

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

position as of December 31, 2023 is \$1,289,246 which includes \$200,000 committed to improvements on Station 5, and \$1,089,246 which to Board committed to capital projects.

Note 10 – Compensated Absences

It is the District’s policy to permit employees to accumulate earned but unused vacation and sick benefits. It is the District’s policy to pay all unused vacation when employees separate from service with the District. Also, it is the District’s policy to pay up to 240 hours of unused sick leave when employees separate from service with the district provided they qualify to retire.

	Balance December 31, 2022	Net Change	Balance December 31, 2023	Due in one year
Accrued vacation	711,173	31,460	742,633	371,317
Accrued sick leave	98,050	1,537	99,587	49,794
	<u>809,223</u>	<u>32,997</u>	<u>842,220</u>	<u>421,110</u>

Note 12 – TABOR Amendment

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

Note 13 – Lessor Tenant Agreements

With the purchase of the building at 103 Sheppard Drive, Durango Fire Protection District assumed three lease agreements with the General Services Administration of the US Government (GSA) for office space, use of common areas, and parking for local offices of the Social Security Administration, the Internal Revenue Service, and the United States Geological Survey.

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2023

Lease agreements are summarized as follows:

<u>Tenant</u>	Began	Terms	Monthly Payment Year 1-5	Monthly Payment Year 5-10	Monthly Payment Year 10-15	Monthly Payment Year 10-15
SSA	6/24/19	15 yr 10 Firm	15,982	16,524	11,678	
IRS	6/24/19	15 yr 10 Firm	3,713	2,331	2,375	
USGS	2/1/19	20 yr 10 Firm	5,006	5,006	6,137	6,610

The District implemented GASB No. 87 for the year ended December 31, 2023 and used the payment schedule detailed above to measure the lease receivable as of November 17, 2023. In addition, the lease receivable was discounted to a net present value at November 17, 2023 using a 3.77% interest rate.

For the year ended December 31, 2023, the District received \$36,328 in rent revenue and \$16,011 in lease interest revenues. The remaining \$105,397 of rent revenue was rent received from the 9-R School District under a short term lease for the use of the property at 201 E. 12th Street. Future lease payments due to the District are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2024	\$ 198,850	\$ 91,680
2025	202,143	84,186
2026	209,897	76,432
2027	217,949	68,381
2028	226,309	60,021
2029 – 2033	1,053,372	180,947
2034 – 2039	439,262	36,129

Note 14 – Subsequent Events

On April 16, 2024, the Durango Fire Protection District issued Certificates of Participation, Series 2024 in the amount of \$12,500,000 maturing December 1, 2039 with an average interest rate of 3.77%. The purpose of the issuance of the certificates is to finance the construction of a new fire station (Station 2) at 1235 Camino del Rio, Durango, Colorado.

DURANGO FIRE PROTECTION DISTRICT
Required Supplemental Information
Year Ended December 31, 2023

DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS
LOCAL GOVERNMENT DIVISION TRUST FUND - PERA

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability	0.216%	0.210%	0.200%	0.191%	0.227%	0.224%	0.204%	0.212%	0.188%	
Proportionate Share of the Net Pension Liability (Asset)	\$ 2,162,867	\$ (179,640)	\$ 1,043,562	\$ 1,393,054	\$ 2,857,247	\$ 2,496,304	\$ 2,760,940	\$ 2,330,363	\$ 866,693	
Actual Covered Member Payroll	\$ 1,554,785	\$ 1,900,035	\$ 1,603,383	\$ 1,310,197	\$ 1,488,049	\$ 1,416,506	\$ 1,239,301	\$ 1,201,424	\$ 1,028,887	
Net Pension Liability as a Percentage of Covered Payroll	139.11%	-9.45%	65.09%	106.32%	192.01%	176.23%	222.78%	193.97%	84.24%	
Fiduciary Net Position as a Percentage of Total Pension Liability	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.72%	

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS LAST 10 FISCAL YEARS
LOCAL GOVERNMENT DIVISION TRUST FUND - PERA

Fiscal period ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 254,628	\$ 237,751	\$ 250,796	\$ 203,309	\$ 166,133	\$ 188,685	\$ 179,613	\$ 157,143	\$ 152,340	\$ 130,463
Actual Contribution	\$ 254,628	\$ 237,751	\$ 250,796	\$ 203,309	\$ 166,133	\$ 188,685	\$ 179,613	\$ 157,143	\$ 152,340	\$ 130,463
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	\$ 1,686,661	\$ 1,554,785	\$ 1,900,035	\$ 1,603,383	\$ 1,310,197	\$ 1,488,049	\$ 1,416,506	\$ 1,239,301	\$ 1,201,424	\$ 1,028,887
Actual Contribution as a % of Covered Payroll	15.10%	15.29%	13.20%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

Note: Schedule is intended to show information for the last 10 fiscal years.

DURANGO FIRE PROTECTION DISTRICT
Required Supplemental Information
Year Ended December 31, 2023

DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS
FPPA STATEWIDE DEFINED BENEFIT PLAN

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability	0.666%	0.729%	0.648%	0.672%	0.649%	0.647%	0.717%	0.702%	0.768%	
Proportionate Share of the Net Pension Liability (Asset)	\$ 591,071	\$ (3,948,210)	\$ (1,407,529)	\$ (379,798)	\$ 820,278	\$ (931,206)	\$ 259,107	\$ (12,376)	\$ (866,693)	
Actual Covered Member Payroll	\$ 5,850,992	\$ 5,659,824	\$ 5,207,450	\$ 5,367,613	\$ 4,346,125	\$ 3,786,100	\$ 3,669,875	\$ 3,403,400	\$ 3,285,750	
Net Pension Liability as a Percentage of Covered Payroll	10.10%	-69.76%	-27.03%	-7.08%	18.87%	-24.60%	7.06%	-0.36%	-26.38%	
Fiduciary Net Position as a Percentage of Total Pension Liability	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%	106.83%	

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS LAST 10 FISCAL YEARS
FPPA STATEWIDE DEFINED BENEFIT PLAN

Fiscal period ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 589,978	\$ 521,418	\$ 481,085	\$ 416,596	\$ 429,409	\$ 347,690	\$ 302,888	\$ 293,590	\$ 272,272	\$ 262,860
Actual Contribution	\$ 589,978	\$ 521,418	\$ 481,085	\$ 416,596	\$ 429,409	\$ 347,690	\$ 302,888	\$ 293,590	\$ 272,272	\$ 262,860
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	\$ 6,241,728	\$ 5,850,992	\$ 5,659,824	\$ 5,207,450	\$ 5,367,613	\$ 4,346,125	\$ 3,786,100	\$ 3,669,875	\$ 3,403,400	\$ 3,285,750
Actual Contribution as a % of Covered Payroll	9.45%	8.91%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Note: Schedule is intended to show information for the last 10 fiscal years.

DURANGO FIRE PROTECTION DISTRICT
Required Supplemental Information
Year Ended December 31, 2023

DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS LAST 10 FISCAL YEARS
MARK CARROLL PENSION FUND (VOLUNTEER PLAN)

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	\$ 63,252	\$ 63,252	\$ 104,484	\$ 104,484	\$ 112,218	\$ 112,218	\$ 106,833	\$ 106,833	\$ 114,246	
Interest on the Total Pension Liability	453,630	455,317	471,909	469,634	465,591	460,674	415,838	411,700	416,539	
Benefit Changes	-	-	-	-	-	-	374,465	-	-	
Difference between Expected and Actual Experience	(30,070)	-	(243,893)	-	169,748	-	20,540	-	(164,171)	
Assumption Changes	61,922	-	-	-	282,492	-	171,900	-	-	
Benefit Payments	(539,040)	(546,185)	(552,242)	(531,349)	(518,514)	(496,563)	(492,335)	(435,411)	(419,850)	
Net Change in Total Pension Liability	9,694	(27,616)	(219,742)	42,769	511,535	76,329	597,241	83,122	(53,236)	
Total Pension Liability - Beginning	6,714,295	6,741,911	6,961,653	6,918,884	6,407,349	6,331,020	5,733,779	5,650,657	5,703,893	
Total Pension Liability - Ending (a)	6,723,989	6,714,295	6,741,911	6,961,653	6,918,884	6,407,349	6,331,020	5,733,779	5,650,657	
Plan Fiduciary Net Position										
Employer Contributions	\$ 139,958	\$ 228,723	\$ 222,215	\$ 162,215	\$ 162,215	\$ 162,215	\$ 156,141	\$ 136,141	\$ 132,800	
Pension Plan Net Investment Income	(528,114)	868,792	688,358	733,400	6,492	738,307	269,779	97,518	355,301	
Benefit Payments	(539,040)	(546,185)	(552,242)	(531,349)	(518,514)	(496,563)	(492,335)	(435,411)	(419,850)	
Pension Plan Administrative Expense	(32,303)	(26,956)	(25,690)	(33,741)	(35,490)	(28,998)	(8,352)	(10,193)	(8,497)	
State of Colorado supplemental discretionary payment	38,552	77,104	38,552	-	38,552	38,552	38,552	38,552	38,552	
Net Change in Plan Fiduciary Net Position	(920,947)	601,478	371,193	330,525	(346,745)	413,513	(36,215)	(173,393)	98,306	
Plan Fiduciary Net Position - Beginning	6,636,049	6,034,571	5,663,378	5,332,853	5,679,598	5,266,085	5,302,300	5,475,693	5,377,387	
Plan Fiduciary Net Position - Ending (b)	5,715,102	6,636,049	6,034,571	5,663,378	5,332,853	5,679,598	5,266,085	5,302,300	5,475,693	
Net Pension Liability/(Asset) - Ending (a) - (b)	1,008,887	78,246	707,340	1,298,275	1,586,031	727,751	1,064,935	431,479	174,964	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.00%	98.83%	89.51%	81.35%	77.08%	88.64%	83.18%	92.47%	96.90%	
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS LAST 10 FISCAL YEARS
MARK CARROLL PENSION FUND (VOLUNTEER PLAN)

Fiscal period ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 178,510	\$ 178,510	\$ 264,021	\$ 264,021	\$ 200,767	\$ 200,767	\$ 174,693	\$ 174,693	\$ 164,607	\$ 164,607
Actual Contribution	\$ 178,510	\$ 178,510	\$ 305,827	\$ 260,767	\$ 162,215	\$ 200,767	\$ 200,767	\$ 194,693	\$ 174,693	\$ 171,352
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (41,806)	\$ 3,254	\$ 38,552	\$ -	\$ (26,074)	\$ (20,000)	\$ (10,086)	\$ (6,745)
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Contribution as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

DURANGO FIRE PROTECTION DISTRICT
Required Supplemental Information
Year Ended December 31, 2023

DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS
HEALTH CARE TRUST FUND - PERA

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability	0.015%	0.015%	0.014%	0.014%	0.018%	0.017%	0.016%			
Proportionate Share of the Net Pension Liability (Asset)	\$ 124,882	\$ 127,797	\$ 136,948	\$ 160,975	\$ 239,791	\$ 226,403	\$ 226,403			
Actual Covered Member Payroll	\$ 1,554,785	\$ 1,900,035	\$ 1,310,197	\$ 1,310,197	\$ 1,488,049	\$ 1,416,506	\$ 1,239,301			
Net Pension Liability as a Percentage of Covered Payroll	8.03%	6.73%	10.45%	12.29%	16.11%	15.98%	18.27%			
Fiduciary Net Position as a Percentage of Total Pension Liability	38.57%	39.40%	32.78%	17.03%	17.03%	17.53%	16.72%			

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS LAST 10 FISCAL YEARS
HEALTH CARE TRUST FUND - PERA

Fiscal period ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 20,878	\$ 15,831	\$ 19,380	\$ 16,355	\$ 13,364	\$ 15,178	\$ 14,448	\$ 12,641	\$ 12,255	\$ 10,495
Actual Contribution	\$ 20,878	\$ 15,831	\$ 19,380	\$ 16,355	\$ 13,364	\$ 15,178	\$ 14,448	\$ 12,641	\$ 12,255	\$ 10,495
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	\$ 1,686,661	\$ 1,554,785	\$ 1,900,035	\$ 1,603,383	\$ 1,310,197	\$ 1,488,049	\$ 1,416,506	\$ 1,239,301	\$ 1,201,424	\$ 1,028,887
Actual Contribution as a % of Covered Payroll	1.24%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Note: Schedule is intended to show information for the last 10 fiscal years. DFPD began operations in 2014. Information for years prior is for Durango Fire & Rescue Authority the predecessor agency.

DURANGO FIRE PROTECTION DISTRICT
Other Supplemental Information
Year Ended December 31, 2023

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues				
Transfer from General Fund	\$ 1,000,000	\$ 1,750,000	1,750,000	\$ -
City of Durango capital contribution	272,052	272,052	272,052	-
Lease purchase funding	-	-	-	-
Impact fees	200,000	200,000	661,351	461,351
Capital grants	405,000	405,000	327,214	(77,786)
Rent income	120,000	120,000	141,725	21,725
Interest from leases	-	-	16,011	16,011
Sale of assets	-	3,550,000	3,630,537	80,537
Donations	-	-	592	592
Interest	5,000	5,000	31,825	26,825
Total revenues	<u>2,002,052</u>	<u>6,302,052</u>	<u>6,831,307</u>	<u>529,255</u>
Expenditures				
Capital expenditures				
Capital expenditures for Station 2	600,000	600,000	285,226	314,774
Capital equipment	2,108,000	2,108,000	1,984,041	123,959
Purchase of 103 Sheppard Drive	-	4,300,000	4,144,474	155,526
Total Expenditures	<u>2,708,000</u>	<u>7,008,000</u>	<u>6,413,741</u>	<u>594,259</u>
Excess of revenues over (under) expenditures	<u>(705,948)</u>	<u>(705,948)</u>	<u>417,566</u>	<u>1,123,514</u>
Net change in fund balance	<u>(705,948)</u>	<u>(705,948)</u>	<u>417,566</u>	<u>1,123,514</u>
Fund balance - Beginning of Year			671,680	
Fund balance - End of Year			<u>\$ 1,089,246</u>	

STATISTICAL SECTION

Statistical Section Comments

The purpose of the statistical portion of the annual comprehensive financial report is to give the reader information to judge the District's economic condition – that is to show not only current economic resources and claims to those resources but to help the reader to understand potential future resources and claims to those future resources.

This section has five objectives: 1) provide financial trend data to show how the District's financial position has changed over time. 2) provide information on revenue capacity to show the District's ability to generate revenues. 3) provide information on debt capacity to show the District's debt burden and capacity to issue additional debt. 4) provide demographic and economic information to show the social and economic environment in which the District is operating. and 5) provide operating information to help understand the District's operation and resources used. The financial information presented in this section is prepared on an accrual basis.

Financial Trends: (Pages 61 - 64) - Net position increased by \$2,853,806 (101%) in 2023 after an increase of \$4,980,613 (21%) in 2022. The fund balance increased by \$854,153 in 2023 ending the year at \$6,891,326 with \$4,564,737 unassigned and increased by \$1,232,053 in 2022 ending the year at \$6,037,173 with \$4,539,579 unassigned.

Revenue Capacity: (Pages 65 – 68) - The District received 28% of its revenue from property taxes in 2023. Total taxable assessed valuations for the District were \$590,554,380 in 2020, \$594,670,760 in 2021, \$619,296,770 in 2022, and \$737,557,740 in 2023. The City of Durango contributed 28% of revenues and the City receives most of their revenue from sales taxes. Future revenue capacity from the City of Durango can be judged by reviewing their annual financial reports.

Debt Capacity: The District has no long-term debt.

Demographic and Economic Information: (Pages 69 – 70) - La Plata County has experienced a 6% increase in population from 2013 to 2022 when the US Census calculated the population at 56,557. The number of housing units has increased by 10% during the same time frame. Total personal income declined slightly in 2016 before increasing in every year through 2022 when it reached \$3,894,248. Unemployment has been very low for most of the past ten years, however it did increase in 2020 reaching 6.4% due to Covid, however it dropped down to 3.1% in 2022 which was below the national average.

Operating Information: (Pages 71 – 75) - The District currently has 105 full-time employees which is 31 more than 2013 and 3 more than DFPD operated with in 2022. Twenty-nine of the additional employees are line personnel and operational support staff increased by two. Capital asset numbers have been fairly consistent over the last 10 years with the exception of 3 additional engines and 5 additional ambulances. Most of the capital purchases of rolling stock have replaced old equipment which was then sold or disposed of. EMS calls have increased by 43% from 2014 to 2023 while Fire calls have fluctuated up and down and were at a ten-year low of 80 in 2023. Total call volume increased by 44% from 2014 to 2023 with 6,612 total calls in 2023.

Sources: Except where noted, the information in this section comes from the District's annual comprehensive financial reports. Additional information comes from internal operating reports, the Region 9 Economic District of Southwest Colorado, Colorado Department of Labor–Bureau of Labor Statistics, Colorado Division of Local Government-Demographic Section, Colorado Secretary of State, and the US Department of Commerce-Bureau of Economic Analysis.

**Durango Fire Protection District
Net Position by Component
2014 - 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government:										
Governmental Activities										
Net investment in capital assets	8,225,599	7,730,319	6,843,474	6,266,151	6,384,571	10,998,138	14,292,450	19,834,968	22,563,948	23,633,218
Restricted	322,642	331,827	338,671	416,179	434,970	486,762	542,148	626,642	2,293,772	1,037,343
Unrestricted	7,506,384	7,434,781	7,437,295	6,421,459	8,406,388	6,638,067	6,132,173	2,774,401	3,358,904	6,399,869
Total governmental activities net position	<u>16,054,625</u>	<u>15,496,927</u>	<u>14,619,440</u>	<u>13,103,789</u>	<u>15,225,929</u>	<u>18,122,967</u>	<u>20,966,771</u>	<u>23,236,011</u>	<u>28,216,624</u>	<u>31,070,430</u>

Durango Fire Protection District
Changes in Net Position
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Public Safety	10,087,650	9,967,548	11,017,592	12,140,760	11,579,557	11,998,560	12,862,157	13,670,429	13,061,005	16,178,500
Total governmental activities expenses	<u>10,087,650</u>	<u>9,967,548</u>	<u>11,017,592</u>	<u>12,140,760</u>	<u>11,579,557</u>	<u>11,998,560</u>	<u>12,862,157</u>	<u>13,670,429</u>	<u>13,061,005</u>	<u>16,178,500</u>
Program Revenues										
Governmental activities										
Charges for services	1,842,659	2,264,658	2,351,618	2,811,118	3,015,206	3,784,110	4,223,601	3,950,523	5,277,096	5,715,422
Operating grants and contributions	301,290	673,624	26,004	8,234	21,361	22,009	106,223	115,457	186,937	119,589
Capital grants and contributions	472,651	416,066	423,097	792,311	430,429	561,720	509,394	782,325	486,632	1,418,353
Total governmental activities program revenues	<u>2,616,600</u>	<u>3,354,348</u>	<u>2,800,719</u>	<u>3,611,663</u>	<u>3,466,996</u>	<u>4,367,839</u>	<u>4,839,218</u>	<u>4,848,305</u>	<u>5,950,665</u>	<u>7,253,364</u>
Net (expense)/revenue										
Governmental activities	<u>(7,471,050)</u>	<u>(6,613,200)</u>	<u>(8,216,873)</u>	<u>(8,529,097)</u>	<u>(8,112,561)</u>	<u>(7,630,721)</u>	<u>(8,022,939)</u>	<u>(8,822,124)</u>	<u>(7,110,340)</u>	<u>(8,925,136)</u>
General Revenues and Other Changes in Net Position										
Property taxes	3,043,898	3,199,028	3,631,116	3,167,088	4,506,664	4,623,948	4,782,739	4,968,122	4,954,588	5,174,783
Specific ownership taxes	538,938	538,571	562,268	682,648	953,782	976,534	969,300	1,079,122	1,087,206	1,019,568
Contract with City of Durango	2,680,153	2,734,584	2,943,622	3,002,282	4,505,213	4,546,600	4,875,754	4,912,436	4,918,398	4,910,344
Other local taxes	170,650	168,241	101,796	55,861	49,769	56,725	44,123	29,931	18,008	29,948
In-kind benefits revenue	-	-	-	-	-	-	-	-	952,750	112,750
Interest	8,851	11,135	35,908	59,598	176,585	251,489	119,254	499	84,337	298,779
Other	39,252	51,015	64,676	45,969	42,688	62,463	75,573	101,255	75,666	232,770
Total general revenues	<u>6,481,742</u>	<u>6,702,574</u>	<u>7,339,386</u>	<u>7,013,446</u>	<u>10,234,701</u>	<u>10,517,759</u>	<u>10,866,743</u>	<u>11,091,365</u>	<u>12,090,953</u>	<u>11,778,942</u>
Change in Net Position	<u>(989,308)</u>	<u>89,374</u>	<u>(877,487)</u>	<u>(1,515,651)</u>	<u>2,122,140</u>	<u>2,887,038</u>	<u>2,843,804</u>	<u>2,269,241</u>	<u>4,980,613</u>	<u>2,853,806</u>

**Durango Fire Protection District
Fund Balances of Governmental Funds
2014 - 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted for:										
Emergency reserves	322,642	331,827	338,671	416,179	434,970	486,762	542,148	624,642	625,914	1,037,343
Committed for:										
Capital projects	472,052	744,104	1,016,156	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Unassigned	7,537,075	7,610,553	7,847,761	3,589,365	3,798,016	4,552,002	4,979,393	3,726,837	4,539,579	4,564,737
Total general fund	<u>8,331,769</u>	<u>8,686,484</u>	<u>9,202,588</u>	<u>4,205,544</u>	<u>4,432,986</u>	<u>5,238,764</u>	<u>5,721,541</u>	<u>4,551,479</u>	<u>5,365,493</u>	<u>5,802,080</u>
Capital Projects Fund:										
Restricted for:										
Emergency reserves	-	-	-	-	-	-	-	-	-	-
Committed for:										
Capital projects	-	-	-	5,371,217	6,897,915	3,802,587	2,830,438	253,641	671,680	1,089,246
Unassigned	-	-	-	-	-	-	-	-	-	-
Total capital projects fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,371,217</u>	<u>6,897,915</u>	<u>3,802,587</u>	<u>2,830,438</u>	<u>253,641</u>	<u>671,680</u>	<u>1,089,246</u>
Total:										
Restricted for:										
Emergency reserves	322,642	331,827	338,671	416,179	434,970	486,762	542,148	624,642	625,914	1,037,343
Committed for:										
Capital projects	472,052	744,104	1,016,156	5,571,217	7,097,915	4,002,587	3,030,438	453,641	871,680	1,289,246
Unassigned	7,537,075	7,610,553	7,847,761	3,589,365	3,798,016	4,552,002	4,979,393	3,726,837	4,539,579	4,564,737
Total all funds	<u>8,331,769</u>	<u>8,686,484</u>	<u>9,202,588</u>	<u>9,576,761</u>	<u>11,330,901</u>	<u>9,041,351</u>	<u>8,551,979</u>	<u>4,805,120</u>	<u>6,037,173</u>	<u>6,891,326</u>

Durango Fire Protection District
Governmental Funds Changes in Fund Balances
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue										
Property taxes	\$ 3,043,898	\$ 3,199,028	\$ 3,631,116	\$ 3,167,088	\$ 4,506,664	\$ 4,623,948	\$ 4,782,739	\$ 4,968,121	\$ 4,954,588	\$ 5,174,783
Specific ownership taxes	538,938	538,571	562,268	682,648	953,782	976,534	969,300	1,079,122	1,087,206	1,019,568
Contract with City of Durango	2,680,153	2,734,584	2,943,622	3,002,282	4,505,213	4,546,600	4,875,754	4,912,436	4,918,398	4,910,344
Other local taxes	170,650	168,241	101,796	55,861	49,769	56,725	44,123	29,931	18,008	29,948
Ambulance income, net	1,248,405	1,409,719	1,629,742	1,587,072	1,671,001	2,724,734	2,841,167	2,804,212	3,937,020	4,346,271
Fees for services	594,254	854,939	721,876	1,224,046	1,344,205	1,059,376	1,382,434	1,146,311	1,340,076	1,369,151
Grants	405,504	643,624	31,396	137,938	21,361	93,271	106,223	231,842	186,937	446,803
Impact fees	96,385	144,014	124,034	146,262	148,047	156,375	219,542	383,988	214,580	661,351
City of Durango contribution for capital	272,052	272,052	272,052	272,052	272,052	272,052	272,052	272,052	272,052	272,052
Rental income	-	-	-	-	-	-	-	-	-	157,736
Interest income	8,851	11,135	35,908	59,598	176,585	251,489	119,254	499	84,337	298,778
Miscellaneous income	39,252	51,015	64,676	45,969	42,688	62,463	75,573	101,255	75,666	98,258
Total revenues	9,098,342	10,026,922	10,118,486	10,380,816	13,691,367	14,823,567	15,688,161	15,929,769	17,088,868	18,785,043
Expenditures										
General Government										
Fire administration	1,316,459	1,351,526	1,476,087	1,465,202	1,637,483	1,739,774	1,586,654	1,712,965	1,805,977	2,052,357
Fire fighting	3,468,749	3,766,207	3,556,051	3,984,440	4,704,352	4,593,583	5,051,313	5,346,772	5,827,852	6,469,131
Fire prevention	389,411	378,768	437,881	460,514	471,902	499,987	541,541	658,075	604,573	695,341
Fire training	415,223	351,055	508,162	489,601	558,691	497,303	469,913	544,503	547,094	622,404
Fire communications	82,323	89,980	98,935	90,662	133,959	105,315	165,261	176,947	177,198	148,045
Fire repair services	423,368	355,086	385,788	439,859	382,487	439,743	420,256	551,323	629,009	591,422
Emergency medical services	2,709,358	2,625,223	2,794,090	2,834,004	3,053,565	3,385,514	3,563,533	3,872,087	4,127,859	4,157,231
Stations and building	140,202	159,906	160,432	159,594	165,782	283,487	202,612	238,656	204,621	347,108
Capital outlay	576,796	624,457	206,576	452,724	839,336	5,630,442	4,194,250	6,585,200	1,932,632	6,478,388
Total expenditures	9,521,889	9,702,208	9,624,002	10,376,600	11,947,557	17,175,148	16,195,333	19,686,528	15,856,815	21,561,427
Other financing sources and (uses)										
Sale of assets	-	30,000	21,619	369,958	10,330	62,031	17,800	9,900	-	3,630,537
Total other financing sources and (uses)	\$ -	\$ 30,000	\$ 21,619	\$ 369,958	\$ 10,330	\$ 62,031	\$ 17,800	\$ 9,900	\$ -	\$ 3,630,537
Net change in fund balance	\$ (423,547)	\$ 354,714	\$ 516,103	\$ 374,174	\$ 1,754,140	\$ (2,289,550)	\$ (489,372)	\$ (3,746,859)	\$ 1,232,053	\$ 854,153

**Durango Fire Protection District
Assessed Value and Actual Value of Taxable Property
2014 - 2023**

Tax Year												Taxable				
	Vacant Land	Residential	Commercial	Industrial	Agricultural	Natural Resources	Oil and Gas	State Assessed	Multi Family Property	Other Ag Property	Renewable Energy Property	Exempt	Total Taxable Assessed Value	Percentage of Estimated Actual Value	Total Estimated Value	Total Direct Rate
2014	68,860,290	245,730,860	52,122,850	5,336,200	4,621,670	277,660	138,238,010	16,320,040	0	0	0	69,835,810	531,507,580	13.67%	3,888,364,640	5.700
2015	66,962,970	250,224,180	51,465,710	5,598,800	4,737,450	603,220	163,321,460	16,545,600	0	0	0	64,557,390	559,459,390	14.15%	3,953,479,400	5.700
2016	69,032,260	283,516,190	56,709,320	6,092,730	4,498,420	821,190	192,144,270	16,600,280	0	0	0	72,380,100	629,414,660	14.20%	4,431,760,080	5.700
2017	69,893,270	284,105,700	62,666,110	9,316,530	5,900,410	1,487,070	91,401,520	17,895,870	0	0	0	58,669,080	542,666,480	11.51%	4,716,357,360	5.700
2018	67,837,270	290,598,550	62,579,050	10,440,710	5,954,260	1,592,900	99,556,390	18,441,770	0	0	0	61,673,190	557,000,900	11.59%	4,805,667,750	8.200
2019	67,905,620	320,430,870	65,924,420	11,225,900	5,470,420	1,614,370	85,681,710	17,930,510	0	0	0	62,495,270	576,183,820	10.61%	5,430,499,820	8.200
2020	62,395,340	324,271,910	64,759,150	12,070,800	6,239,280	1,624,530	101,764,860	17,428,510	0	0	0	52,871,170	590,554,380	10.67%	5,537,151,700	8.200
2021	61,062,040	345,005,220	65,968,140	12,070,250	6,207,930	1,622,000	85,776,990	16,958,190	0	0	0	52,639,510	594,670,760	10.56%	5,629,601,570	8.200
2022	68,513,630	336,257,710	64,654,240	11,800,050	5,274,060	1,724,980	108,804,120	16,520,830	5,216,420	525,040	5,690	61,378,640	619,296,770	10.74%	5,768,344,820	8.200
2023	82,968,540	399,874,240	66,288,680	12,547,280	5,267,430	1,750,480	145,173,030	16,312,410	6,763,970	606,060	5,620	72,498,480	737,557,740	10.11%	7,295,371,790	8.200

Source: La Plata County Assessor's Office

**Durango Fire Protection District
Direct and Overlapping Property Tax Rates
2014 - 2023**

Tax Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Durango Fire Protection District Direct	5.700	5.700	5.700	5.700	8.200	8.200	8.200	8.200	8.200	8.2000
Animas La Plata Water Conservancy	0.325	0.333	0.322	0.328	0.328	0.344	0.345	0.352	0.372	0.3530
Animas Mosquito Control	0.990	0.990	0.990	0.990	0.990	0.990	1.400	1.400	1.400	1.4000
Bayfield School District	23.222	21.599	21.161	32.478	31.905	31.721	32.848	34.751	34.168	19.1070
Bayfield School District Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.4700
Durango (City of)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.0070
Durango Hills Road Improvement District	0.000	0.000	0.000	20.379	0.000	20.379	20.379	20.379	20.379	17.7650
Durango School District	19.090	19.090	17.876	19.874	20.281	21.075	22.787	24.025	24.975	18.8090
Durango School Dist Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.7760
Durango West Metropolitan #1	20.200	20.300	19.460	0.000	0.000	0.000	0.000	0.000	0.000	0.0000
Edgemont Ranch Metropolitan	7.874	7.876	7.875	7.880	7.895	7.906	7.874	7.874	7.874	7.8740
Edgemont Ranch Metropolitan Bond	3.426	3.600	2.893	2.808	2.724	2.450	2.064	1.927	1.816	0.6090
El Rancho Florida Metropolitan	25.333	20.589	21.149	26.110	21.573	23.841	15.021	24.919	25.400	19.9430
Elevation Park Metro District	0.000	0.000	0.000	0.000	0.000	0.000	10.000	10.000	10.000	18.0000
Elevation Park Metro DistrictBond	0.000	0.000	0.000	0.000	0.000	0.000	50.000	50.000	50.000	53.0000
Ft. Lewis Mesa Fire Protection	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	11.7960
Florida Mosquito Control	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.7000
Florida Water Conservancy	0.073	0.066	0.060	0.060	0.060	0.060	0.060	0.060	0.059	0.0530
Ignacio Community Library District	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.5000
Ignacio School District	13.173	11.470	12.436	15.535	18.350	17.713	19.469	19.469	23.369	8.4040
Ignacio School District Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.0000
La Plata Archuleta Water District	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.0000
La Plata County General	7.410	7.410	7.410	7.348	7.348	7.348	7.348	7.115	7.348	7.1150
La Plata County Human Services	0.380	0.380	0.380	0.443	0.442	0.442	0.442	0.675	0.442	0.6750
La Plata County R&B	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.7100
La Plata Water Conservancy	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.2950
LPC Palo Verde Pub Imp Distr No. 3	8.448	4.840	4.559	32.235	27.820	18.671	18.466	19.888	15.104	0.0570
LPC Palo Verde Pub Imp Distr No. 3 Bond	62.934	16.860	13.567	0.000	0.000	0.000	0.000	0.000	0.000	10.1510
Montezuma Dolores County Metropolitan Rec Dist	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.7770
Pine River Cemetary	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.1500
Pine River Library	2.500	2.504	2.501	2.500	2.500	2.500	4.000	4.000	4.000	4.0000
Purgatory Metropolitan	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.3130
Purgatory Metropolitan Subdistrict	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.0000
Southwest La Plata Library District	0.000	0.000	0.000	0.000	0.000	0.000	1.500	1.500	1.500	1.5000
Southwestern Water Conservancy	0.368	0.362	0.340	0.395	0.407	0.407	0.407	0.407	0.407	0.3470
Tamarron Metropolitan District	13.239	13.000	13.000	13.000	13.000	13.000	14.430	14.430	14.004	14.8100
Tamarron Metropolitan District Bond	37.000	37.000	37.000	37.000	37.000	37.000	41.070	41.070	39.857	42.1520
Twin Buttes Metro Dist No 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.0000
Twin Buttes Metro Dist No 2 Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	50.0000
Ute Pass Water Dist Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.8160
Total Direct and Overlapping Millages	302.353	244.637	239.347	275.730	251.491	264.715	328.778	343.109	341.342	426.634

Source: La Plata County Assessor's Office

**Durango Fire Protection District
Principal Property Tax Payers
2014 - 2023**

Taxpayer	Tax Years										Percentage of Total Assessed Value
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable	
	Assessed	Assessed	Assessed	Assessed	Assessed	Assessed	Assessed	Assessed	Assessed	Assessed	
	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
Simcoe LLC							40,984,270	15,171,850	26,137,350	51,057,110	6.92%
Harvest Four Corners LLC							38,019,120	35,504,380	36,760,630	37,296,570	5.06%
Hilcorp San Juan LP					9,413,920	14,670,460	10,124,830	11,351,700	13,522,330	25,754,810	3.49%
Enduring Resources LLC					7,064,550	6,507,450	4,429,510		9,257,790	20,766,470	2.82%
Northwest Pipeline LLC										12,687,810	1.72%
Glacier Properties Associates LLC	3,262,900	3,549,260	2,959,130	3,765,900	4,269,100	5,542,680	5,665,550	5,902,630	5,703,520	7,150,930	0.97%
La Plata Electric Association Inc.	5,189,890	5,556,030	6,196,340	7,112,690	6,944,540	6,956,370	6,100,000	6,284,580	6,363,580	6,812,940	0.92%
Logos Operating LLC										4,803,320	0.65%
Oldcastle SW Group Inc.						3,598,790	3,949,770	4,090,380	4,090,380	4,592,440	0.62%
Purgatory Recreation LLC		2,492,250	2,508,270	3,503,710	3,604,120	3,787,000	3,787,000	3,770,980	3,770,980	3,249,400	0.44%
Simcoe LLC								13,155,780	13,153,180		
IKAV Energy Inc.							4,351,620	4,023,320	4,023,320		
Public Service CO of Colorado (Xcel)			2,795,880	3,828,500	3,931,030	3,639,110	3,561,800	3,521,870			
BP America Production	103,907,800	120,204,210	67,333,400	58,297,380	60,944,390	53,229,120					
BP America Production Co	5,536,840	5,523,100	5,524,550	5,600,090	5,592,260	6,153,740					
Enduring Resources LLC						3,887,340	3,765,150				
XTO Energy Inc	11,527,680	11,635,770	6,556,960	5,970,370	6,783,810						
Conoco Phillips Co	13,616,000	18,405,010	8,474,490	7,296,310							
Williams Four Corners LLC	3,926,610		4,292,830	3,943,670							
Glacier Properties Associates LLC				1,536,490							
Chevron Midcontinent LP	7,671,580	9,344,020	3,995,620								
Chevron USA	5,828,950	6,541,790									
Four Star Oil & Gas		5,441,800									
Red Cedar	3,810,670										
	-	-	-	-	-	-	-	-	-	-	-
	164,278,920	188,693,240	110,637,470	100,855,110	112,435,060	107,849,870	120,973,470	102,777,470	122,783,060	174,171,800	23.61%

Source: La Plata County Assessors Office

**Durango Fire Protection District
General Fund Property Tax Levies and Collections
2014 - 2023**

Fiscal Year	Total Tax Levy for Year	Amount Collected	Percentage of Levy	Collections in Subsequent Years	Total Collections	Percentage of Levy
2014	3,077,758	3,036,599	98.66%	253	3,036,852	98.67%
2015	3,236,060	3,193,747	98.69%	-	3,193,747	98.69%
2016	3,634,503	3,588,243	98.73%	976	3,589,219	98.75%
2017	3,168,838	3,125,182	98.62%	2,038	3,127,220	98.69%
2018	4,507,223	4,445,630	98.63%	2,296	4,447,926	98.68%
2019	4,622,922	4,560,507	98.65%	(6,999)	4,553,508	98.50%
2020	4,792,463	4,723,896	98.57%	3,859	4,727,755	98.65%
2021	4,918,754	4,849,048	98.58%	7,246	4,856,294	98.73%
2022	4,970,956	4,871,429	98.00%	1,819	4,873,248	98.03%
2023	5,153,565	5,093,147	98.83%	-	5,093,147	98.83%

Source: Durango Fire Protection District

**La Plata County, Colorado
Demographic Data
2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Population	53,146	53,557	54,300	54,884	55,034	55,731	55,509	55,668	56,171	56,557
Births	495	552	579	571	503	459	421	481	437	423
Deaths	315	301	345	351	353	338	345	371	439	462
Housing units	26,262	26,464	26,672	26,937	27,145	27,670	27,983	28,285	28,533	28,946
Households	21,878	22,164	22,522	22,856	23,015	23,380	23,346	N/A	N/A	N/A
Average household size	2.33	2.33	2.32	2.32	2.31	2.30	2.30	N/A	N/A	N/A
Registered voters	41,785	40,154	41,117	44,828	43,870	43,811	45,238	49,435	48,648	51,281
Employment	27,894	28,651	28,871	30,141	30,449	31,122	30,900	28,885	28,617	29,602
Unemployment	1,658	1,256	991	851	706	884	767	1,984	1,683	932
Unemployment rate	5.60%	4.20%	3.30%	2.70%	2.30%	2.80%	2.40%	6.40%	5.60%	3.10%
Total personal income (thousands)	2,720,185	2,864,618	2,919,347	2,891,368	2,892,615	3,144,411	3,278,631	3,397,149	3,714,788	3,894,248
Per capita personal income	51,182	53,478	53,757	52,673	52,537	56,398	58,976	61,017	66,115	68,794

Sources: Colorado Division of Local Government, Demographic Section in cooperation with the U.S. Bureau of Census
Federal Bureau of Labor Statistics
US Department of Commerce - Bureau of Economic Analysis

Accurate demographic information is not compiled for the District's service area. The District's service area covers a significant part of La Plata County including the county seat the City of Durango. Complete data for 2023 is not available as of this date. Data on households and household size is not available for 2020-2022.

**Durango Fire Protection District
Principal Employers
2014 - 2023***

Employer	2014 Employees	2015 Employees	2016 Employees	2018 Employees	2019 Employees	2020 Employees	2023 Employees	2023 Percentage of Total County Employment
Southern Ute Indian Tribe	755	845	795	980	1,545	1,416	1,600	4.5%
Durango School District 9-R	601	632	853	1,011	788	943	998	2.8%
Mercy Medical Center	797	1,200	860	1,321	941	756	901	2.5%
Purgatory Recreation Management LLC	400	479	1,000		850	136	850	2.4%
Fort Lewis College	636	570	660	611	680	673	683	1.9%
La Plata County	326	401	434	458	395	422	445	1.3%
Wal Mart Stores, Inc.	365			322	322	338	437	1.2%
City of Durango	314		546	595	354	328	354	1.0%
Bayfield School District #10					390	226	216	0.6%
Rocky Mountain Chocolate Factory					190	190	200	0.6%
Crossfire		322	705	474				
Sky Ute Lodge and Casino	395	400	425	400				
Worldpay (formerly Mercury)	409	630	365	360				
BP America		221						
San Juan Basin Health								
Total	4,998	5,700	6,643	6,532	6,455	5,428	6,684	18.8%

Source: Region 9 Economic Development District of Southwest Colorado

Note: Accurate demographic information is not compiled for the District's service area. The District's service area covers a significant part of La Plata County including the county seat, the City of Durango. Data is from the Region 9 Economic Snapshot. Region 9 Economic Development District did not develop data on top employers for 2017 and has begun providing the economic snapshot every two years. The 2022 report contained top employers data for 2020 and the 2024 report contained top employer data for 2023.

**Durango Fire Protection District
Full-time Equivalent Employees
2014- 2023**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire and EMS										
Firefighters and officers	54	54	54	54	58	66	69	76	80	83
Administrative staff	9	9	9	9	9	8	8	9	9	9
Operational support staff	11	11	12	12	13	13	13	13	13	13
Total Fire and EMS Full-time Employees	74	74	75	75	80	87	90	98	102	105

Source: Durango Fire Protection District

**Durango Fire Protection District
Operating Indicators by Function
2014 - 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
Fire										
Structure and wildland fires	346	222	364	148	148	98	106	114	105	80
Hazardous conditions	106	116	109	121	91	164	126	169	183	256
EMS										
Emergency medical	3,444	3,747	4,127	3,713	3,807	3,865	3,939	4,634	4,785	4,920
Public Service Assistance	32	29	41	243	218	244	316	278	343	268
Good Intent Calls	-	-	-	761	843	740	734	787	793	722
False Alarms	656	724	441	265	287	301	260	302	348	366
Total Calls	<u>4,584</u>	<u>4,838</u>	<u>5,082</u>	<u>5,251</u>	<u>5,394</u>	<u>5,412</u>	<u>5,481</u>	<u>6,284</u>	<u>6,557</u>	<u>6,612</u>
Inspections	<u>690</u>	<u>809</u>	<u>822</u>	<u>847</u>	<u>N/A</u>	<u>625</u>	<u>530</u>	<u>863</u>	<u>742</u>	<u>916</u>

Source: Durango Fire Protection District

Note: In 2017 DFPD began using new software and started tracking Good Intent Calls. Due to a software changes the number of inspections performed in 2018 is unavailable.

**Durango Fire Protection District
Capital Asset Statistics
2013 - 2022**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire and EMS										
Fire stations										
Staffed stations	4	4	4	4	4	4	4	4	4	4
Volunteer	12	12	12	12	12	12	12	12	12	12
Administrative building	1	1	1	1	1	1	1	2	2	2
Fleet										
Engines	18	18	18	18	18	19	19	19	21	21
Tankers	9	9	9	9	9	9	9	9	10	10
75' aerials	2	2	2	2	2	2	2	3	3	3
Ambulances	8	8	8	9	9	9	10	11	10	13
Brush trucks	8	8	8	8	8	8	9	8	9	9
Rescue trucks	3	3	3	3	3	1	3	1	1	1
Other	33	33	33	33	34	28	37	37	40	40

Source: Durango Fire Protection District

**Durango Fire Protection District
Calls by District
2023**

2023 Calls by District	EMS	False Alarm	Fire	Hazardous Cond.	Public Service	Good Intent	Total
DFRA 1 - Bodo	472	42	6	25	25	65	635
DFRA 2 - Downtown	1,502	101	13	85	86	179	1,966
DFRA 3 - 32nd Street	736	104	7	43	51	88	1,029
DFRA 4 - Sunnyside	53	1	2	9	3	16	84
DFRA 5 - Edgemont	79	8	3	9	7	11	117
DFRA 6 - Trimble	157	14	4	9	19	31	234
DFRA 7 - Elmore's Comer	1,397	27	14	35	56	103	1,632
DFRA 8 - Rafter J	60	6	2	5	1	19	93
DFRA 9 - Durango West	79	2	4	7	5	24	121
DFRA 10 - Elkhorn Mountain	0	0	0	0	0	0	0
DFRA 11 - Bondad	35	1	5	5	1	17	64
DFRA 12 - Timberline	86	7	5	7	9	26	140
DFRA 13 - Falls Creek	15	0	0	1	2	4	22
DFRA 14 - Tamarron	13	10	1	3	1	8	36
DFRA 15 - Electra Lake	13	3	2	2	1	6	27
DFRA 16 - Durango Mtn. Resort	119	40	3	11	1	49	223
Mutual Aid	104	0	9	0	0	76	189
Total	4,920	366	80	256	268	722	6,612

Source: Durango Fire Protection District

