

Durango Fire Protection District

Durango - Colorado

Annual Comprehensive Financial Report



*Prepared by the Management of the
Durango Fire Protection District*



For the year ending December 31, 2022

**DURANGO FIRE PROTECTION DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended December 31, 2022**

TABLE OF CONTENTS

INTRODUCTORY SECTION	
Letter of Transmittal	4
Certificate of Achievement of Excellence in Financial Reporting	8
Organizational Chart	9
List of Appointed and Elected Officials	10
FINANCIAL SECTION	
Independent Auditor's Report	12
Management's Discussion and Analysis	15
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements – Governmental Funds	
Balance Sheet.....	22
Reconciliation of Governmental Fund Balance Sheet	
With the Government-wide Statement of Net Position	23
Statement of Revenue, Expenditures and Changes in Fund Balance	24
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances with the Government-wide Statement	
Of Activities	25
Schedule of Revenues, Expenditures and Changes in Fund Balances	
General Fund (Budget and Actual)	26
Notes to Financial Statements	27
Required Supplemental Information	
Pension Plans Required Supplemental Information	50
Other Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances	
Capital Projects Fund (Budget and Actual).....	54
STATISTICAL SECTION	
Statistical Section Comments	56
Net Position by Component	57
Changes in Net Position	58
Fund Balances	59
Changes in Fund Balances	60
Assessed Value and Actual Value of Taxable Property	61
Direct and Overlapping Property Tax Rates	62
Principal Property Tax Payers	63
Property Tax Levies and Collections	64
Demographic Data	65
Principal Employers	66
Full-time Equivalent Employees	67
Operating Indicators by Function	68
Capital Asset Statistics	69
Calls by District	70
DFPD Response Area and Station Location	71

INTRODUCTORY SECTION



June 22, 2023

To the Durango Fire Protection District Board of Directors, City Council of Durango 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, 2022.

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 for all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive framework that is designed to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the presentation of the 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, 2022, 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, 2022, 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

Durango Fire & Rescue Authority was formed in 2001 through an Intergovernmental Agreement ("IGA") between the City of Durango, Animas Fire Protection District, Hermosa Cliff Fire Protection District (the "Contracting Parties") and included the absorption of the Mercy Hospital Paramedic Ambulance system.

In 2013, the Boards (Animas, Hermosa) and City Council that make up the Authority -- in the best interest of the community and the emergency service agency that serves them -- decided to create a single fire protection district and a 15 year voter approved contract with the City of Durango. This concept which vastly improved the efficiencies of scale in board leadership, conflicting goals, and financial redundancies was overwhelmingly approved by the voters of the Fire Districts and the City.



2014 was then the *first year that our emergency service became a single district, "Durango Fire Protection District"*, with a 15-year contract to provide emergency services to the municipality of Durango.

The Durango Fire Protection District provides fire suppression (structural, wildland and vehicle), emergency medical service/ambulance service to include patient transport, rescue (water, ice, low and high angle rope, confined space, 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 in excess of the amount of actual revenues exceeding budgeted revenues and un-appropriated surplus for the fund. The Chief may transfer any unencumbered appropriation balance or a portion thereof from one classification of expenditure to another within the General Fund in order 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 the 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

General: The Durango geographic area is located in the southwestern part of Colorado in the County of La Plata. La Plata County experienced considerable economic and population growth from the late 1980's to 2008, and like most of the United States, the years between 2009 and 2011 showed considerable financial declines and challenges over previously prosperous years. The years since 2012 have brought slow but steady growth with an increase of 7.5% in population and a 42.0% increase in per capita personal income from 2012 through 2021. At the end of 2022, the unemployment rate in La Plata County was 3.0%.

Durango is the largest town and the major shopping destination in La Plata County 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. Fort Lewis College Department of Economics believes that Durango's present economy is primarily based on tourism, now generating approximately 27% of all activity in La Plata County. Interestingly, in the wake of the most intense period of the Covid Pandemic, LaPlata County property sales have actually increased, and the population is growing rather than shrinking, possible due to the mass migration of people out of the City Centers of the State.



City of Durango: In 2022, the City provided 30% of the total revenue of the District. The City continues to be optimistic about the future as City sales tax collections remained positive through 2022. Real estate values continue to rapidly increase within the City and days on the market are minimal for those properties. New construction has been strong in Durango with commercial construction being particularly strong. Housing prices and loans remain a challenge for low to moderate income families.

Durango Fire Protection District: In 2022, 70% of total revenue was provided by the District. Property taxes accounted for 29% of total revenue and, EMS provided 23% of total revenue in the form of billing for ambulance services.

History of Our Long-term Planning and Finances

Based on the clear success of the Authority from 2002 thru 2005, the Board of Directors developed a Service Plan in 2006 to create a stand-alone special district called the "Durango Fire Protection District", which would operate in place of the current Authority. The plan was placed on the ballot, voted upon, and approved in November 2006. The District is in the midst of completing a factual update to our service plan at present, and we anticipate completion of that project prior to the close of the 2023 budget year.

The second question on the November 2006 ballot was whether to fund the District, which if funded would create single governance over emergency services with a mill rate on property. The funding question failed to pass. Without a funding source it was not possible for the Durango Fire Protection District to operate the Agency.

After failure to pass a single funding solution for the newly established Durango Fire Protection District, the Authority Board of Directors commissioned an Operational Analysis in 2007.

The operational funding struggled to cover more than operating costs as the Durango Fire Protection District did not receive any separate capital funding. This is unlike the years 2002 through 2006 when the Authority received \$750,000 annually of additional capital allocation funds from all of the Contracting Parties. All the past Boards, Councils, Consultants, current Board of Directors, and the Chief believe that for the future sustainability of services the Durango Fire Protection District will need a long-term strategic approach to its operations and capital replacement program.

The three resulting tenants of the Operational Analysis were to have single governance for emergency services -- funded through a fair and equitable mill rate for both operations and capital -- and to develop a county wide impact fee to assist in offsetting capital needs.

In 2011, the Durango Fire Protection District put together a Citizens Review Panel. After a thorough five month process the Board unanimously supported going back to the electorate to approve a single mill levy for the District; and with that approval, the support to dissolve all the other Boards. This mill levy election once again failed at the polls by a margin of 57% to 43%.

The second failure of this legal consolidation effort was analyzed by the Board of Directors, Chief and Legal Counsel. They spent the later portion of 2012 working to craft a resolution that would be rolled out to the community in 2013. The clear goal was to restore the employee, operational and capital health of the department, while providing quality service and safety to our members.

After much effort on behalf of all the Boards, City Council, membership, staff and community, Durango Fire Protection District became a reality as a single emergency agency on January 1, 2014.



Durango Fire Protection District
142 Sheppard Drive, Durango, CO

Phone: 970 382 6001
Fax: 970 382-6028

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 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. In addition, 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 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. This project was followed directly by the construction of a new fire training facility which is expected to be completed in 2021.

There will continue to be pressure on revenues as the residential assessment rate is estimated to diminish from 7.1 to a lower factor for property taxes collected in 2023 and the assessed valuations of oil and gas are expected to continue to decline. This decline may be partially offset by increases in market valuations and new construction, but the full result remains to be seen.

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. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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 black ink that reads "Hal Doughty".

Hal Doughty
Fire Chief
Durango Fire Protection District



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

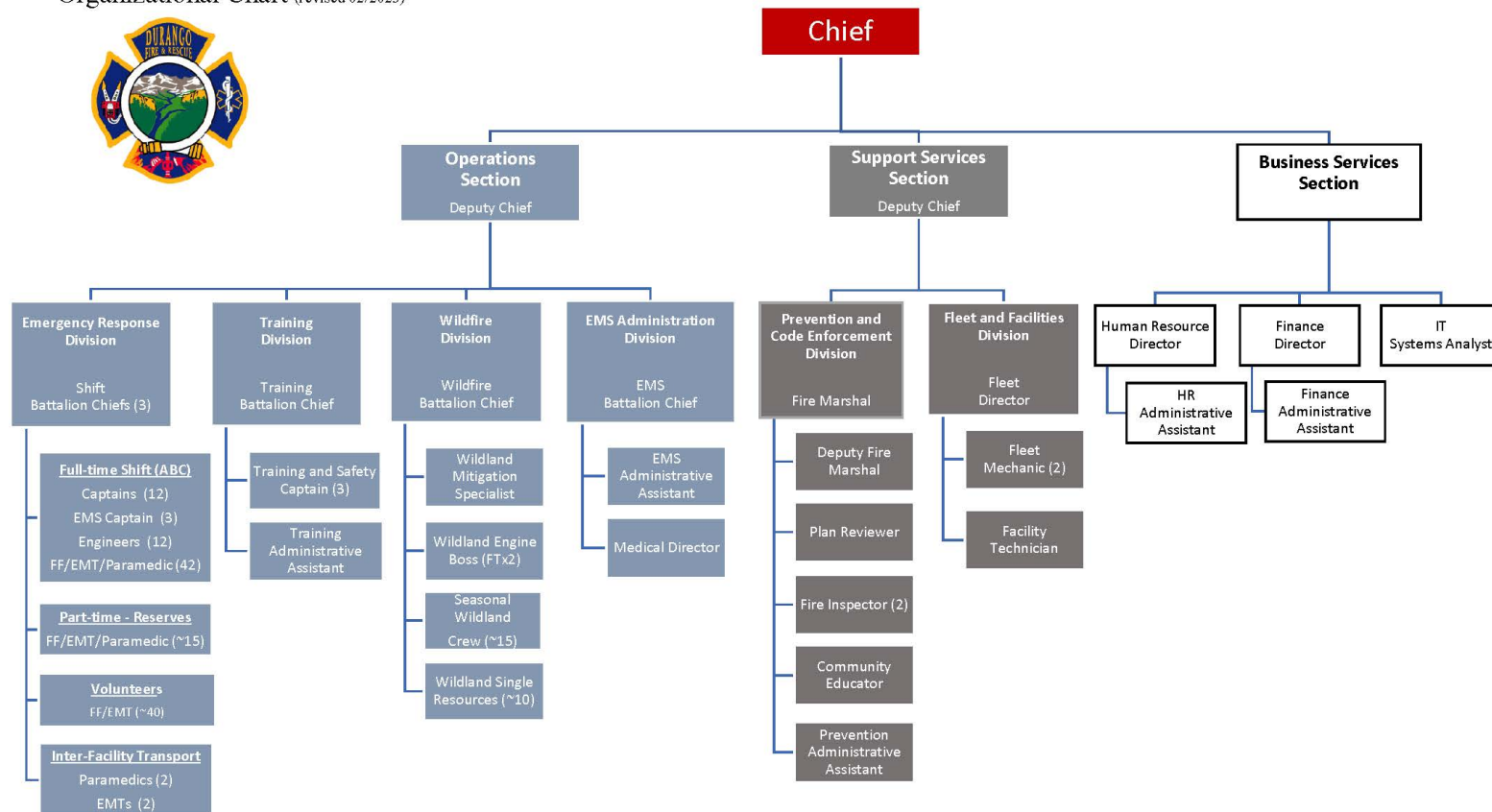
December 31, 2021

Christopher P. Morill

Executive Director/CEO

Durango Fire & Rescue

Organizational Chart (revised 02/2023)



DURANGO FIRE PROTECTION DISTRICT 2022 ELECTED OFFICIALS

DURANGO FIRE PROTECTION DISTRICT BOARD

Samantha Gallagher, Chairperson

Karen Barger

John Dezendorf

Steve List

Tina McCallum

Lyle McKnight

Kathy Morris

DURANGO FIRE PROTECTION PENSION BOARD

Samantha Gallagher, Chairperson

Karen Barger

Jameson Bobbin

John Dezendorf

Steve List

Bill Luthy

Tina McCallum

Lyle McKnight

Kathy Morris

OUR CONTRACTING PARTNER 2021 ELECTED OFFICIALS

CITY OF DURANGO

Kim Baxter , Mayor

Jessika Buell

Oliver Bosmans

Barbara Noseworthy

Melissa Youssef


FINANCIAL SECTION



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

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, 2022 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, 2022 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,

Haynie & Company

Littleton, Colorado
June 29, 2023

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2022

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, 2022. 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, 2022 by \$28,216,624 (net position). Of this amount \$3,358,904 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 \$4,980,613 during 2022, mostly due to improvement in the funding level of the District's pension plans, but also due to the recognition of in-kind benefit revenue.
- Total revenues for the year ended December 31, 2022 were \$18,041,618 compared to total revenue of \$15,939,670 in 2021.
- The Fund Balance increased by a total of \$1,232,053 during 2022 and was \$6,037,173 as of December 31, 2022.

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 20 and 21 of this report.

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2022

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 22 through 25 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 27 through 49 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 50 through 54 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 26 and 54 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 \$28,216,624 at the close of the most recent fiscal year. The overall net position increased by \$4,980,613 (21.4%). Net investment in capital assets increased from \$19,834,968 at December 31, 2021 to \$22,563,948 at December 31, 2022. This involved additions in capital assets of \$3,876,382 and

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2022

depreciation expense of \$1,147,402. This investment in capital assets during 2022 was another significant investment in capital and is part of its long-term capital replacement plan. Unrestricted net position increased from \$2,774,401 at December 31, 2021 to \$3,358,904 at December 31, 2022. The main reason for the increase in net position was due to an increase in the net pension asset/liability. PERA went from a liability of \$1,043,562 to an asset of \$179,640, FPPA went from an asset of \$1,407,529 to an asset of \$3,948,210 and the volunteer pension went from a liability of \$707,340 to a liability of \$78,246. Combined there was a net pension liability of \$343,373 at December 31, 2021 and a net pension asset of \$4,049,604 at December 31, 2022 or an increase of \$4,392,977. The deferred outflow of resources related to pension decreased by \$424,518 and the deferred inflow of resources related to pension increased by \$1,956,815, but the net increase in the net position related to pension was \$2,011,644. Restricted net position increased from \$626,642 at December 31, 2021 to \$2,293,772 at December 31, 2022. The restricted net position consists of \$625,914 restricted for emergency reserves and \$1,667,858 restricted for pension assets. The restriction for pension assets had not been shown on last year's statements which resulted in the large increase.

A large portion of the District's net position is its investment in capital assets. 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.

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

	<u>2022</u>	<u>2021</u>
Current assets	\$ 11,578,511	\$ 10,137,603
Capital assets	22,563,948	19,834,968
Net pension assets	<u>4,127,850</u>	<u>1,407,529</u>
Total assets	38,270,309	31,380,100
 Deferred outflow of resources	 2,824,244	 3,246,981
Total assets and deferred outflow of resources	41,094,553	34,627,081
 Current liabilities	 793,242	 755,197
Noncurrent liabilities	<u>1,601,654</u>	<u>2,281,520</u>
Total liabilities	2,394,896	3,036,717
 Deferred inflow of resources	 10,483,033	 8,354,353
 Net position		
Investment in capital assets	22,563,948	19,834,968
Restricted	2,293,772	626,642
Unrestricted	<u>3,358,904</u>	<u>2,774,401</u>
Total net position	<u>\$ 28,216,624</u>	<u>\$ 23,236,011</u>

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 2022 shows

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2022

expenses of \$13,061,005 with a net expense (after charges for services and grants) of \$7,110,340. Total general revenues were \$12,090,953, leaving a change in net position of \$4,980,613.

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

	<u>2022</u>	<u>2021</u>
General Revenue:		
Property taxes	\$ 4,954,588	\$ 4,968,122
Specific ownership taxes	1,087,206	1,079,122
Contract with City of Durango	4,918,398	4,912,436
Other local taxes	18,008	29,931
In-kind benefits revenue	952,750	-
Interest	84,337	499
Charges for services	5,277,096	3,950,523
Grants and contributions	673,569	897,782
Other	75,666	101,255
Total Revenue	<u>18,041,618</u>	<u>15,939,670</u>
Expenses:		
Public safety	13,061,005	13,670,429
Total Expenses	<u>13,061,005</u>	<u>13,670,429</u>
Changes in Net Position	4,980,613	2,269,241
Net Position - Beginning of Year	<u>23,236,011</u>	<u>20,966,770</u>
Net Position - End of Year	<u>\$ 28,216,624</u>	<u>\$ 23,236,011</u>

Statement of revenues, expenditures, and changes in fund balance: In fiscal year 2022, the District had an excess of revenues over expenditures of \$1,232,053 before other financing sources and uses compared to a deficiency of \$3,756,759 in 2021. This was made up of an excess of revenues over expenditures of \$2,564,014 in the general fund and a deficiency of \$1,331,961 in the Capital Projects Fund.

After a transfer of \$1,750,000 to the Capital Projects Fund, the General Fund had an increase of \$814,014.

In 2022, Wildland fire fees were \$1,200,834 compared to \$1,079,642 in 2021. This revenue is from a cooperative agreement between the District and the State of Colorado where the District provides personnel and equipment to assist on national wildland fire incidents. The District receives reimbursement for the cost of the personnel including benefits and other expenses incurred plus a small amount toward overhead of around 5%. In addition, the District receives a daily fee for the use of equipment.

The Capital Projects fund had a positive change in fund balance of \$418,039 after other financing sources and uses. The capital expenditures were part of a plan to spend down the fund balance making needed

DURANGO FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2022

replacements of rolling stock that was in excess of 20 years old and also investing in fire stations. These capital replacements will continue into 2023.

Material Changes

After 2010, there was a loss in general property tax revenue, primarily due to the drop in oil and gas production and prices but exacerbated by the drop in the residential tax rate from 7.96% to 7.2%. The increased value of property in La Plata County was able to compensate for some of these losses. 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. Property tax revenue decreased slightly from \$4,968,121 in 2021 to \$4,954,588 in 2022. The revenue from the contract for fire protection services with the City increased from \$4,912,436 in 2021 to \$4,918,398 in 2022.

Capital Assets and Long-term Debt

Capital Assets. The District's net investment in capital assets as of December 31, 2022 is \$22,563,948. This is an increase of \$2,728,980 (13.8%) from December 31, 2021. Major capital asset events during the current fiscal year included the following:

- (1) Pierce Enforcer PUC Pumper
- (1) BME International Type 3 Engine
- (1) Pierce Freightliner 4X4 Tac Tender
- (1) Danko Type 6 Brush Truck
- (2) Ford F-150 Command Vehicles
- Stryker defibrillator and power cot

Additional information on the District's capital assets can be found in Note 4 on page 32 of this report.

Long Term Debt: As of December 31, 2022 and 2021 the District had no long-term debt.

Budget Analysis

Actual expenditures were \$97,057 below budgeted for the General Fund and \$2,876,216 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
Basic Financial Statements
Year Ended December 31, 2022

**DURANGO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
December 31, 2022**

	Governmental Activities
Current Assets	
Cash	\$ 164,390
Investments - ColoTrust	2,997,587
Investments - CDs	2,063,892
Receivables:	
Due from County Treasurer	46,118
Property taxes receivable	5,152,708
Ambulance receivables, net	845,484
Intergovernmental receivables	139,786
Other receivables	59,156
Pre-paid expenses	109,390
Total current assets	11,578,511
Noncurrent Assets	
Capital Assets	
Construction in progress	117,791
Non-depreciable assets - Building	6,944,443
Land	1,226,106
Vehicles	14,211,852
Equipment	4,570,690
Building	11,016,434
Accumulated depreciation	(15,523,368)
Capital assets, net	22,563,948
Net pension assets	4,127,850
Total noncurrent assets	26,691,798
Total assets	38,270,309
Deferred Outflows of Resources	
Deferred outflows related to pension	2,801,696
Deferred outflows related to OPEB	22,548
Total deferred outflows of resources	2,824,244
Total assets and deferred outflows of resources	\$ 41,094,553
Current Liabilities	
Accounts payable	\$ 160,752
Accrued payroll	221,699
Accrued compensated balances	404,612
Other liabilities	6,179
Total current liabilities	793,242
Noncurrent Liabilities	
Deferred in-kind benefits	991,000
Net pension liability	78,246
Net OPEB liability	127,797
Accrued compensated balances	404,611
Total noncurrent liabilities	1,601,654
Total liabilities	2,394,896
Deferred Inflows of Resources	
Deferred property tax revenue	5,152,708
Deferred inflows related to pension	5,261,688
Deferred inflows related to OPEB	68,637
Total deferred inflows of resources	10,483,033
Net Position	
Investment in capital assets	22,563,948
Restricted for:	
TABOR Amendment	625,914
Net pension assets	1,667,858
Unrestricted	3,358,904
Total net position	28,216,624
Total Liabilities Deferred outflows of resources and Net Position	\$ 41,094,553

See accompanying notes.

DURANGO FIRE PROTECTION DISTRICT
 Basic Financial Statements
 Year Ended December 31, 2022

**DURANGO FIRE PROTECTION DISTRICT
 STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2022**

<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	\$ 13,061,005	\$ 5,277,096	\$ 186,937	486,632	\$ (7,110,340)
Total governmental activities	<u>13,061,005</u>	<u>5,277,096</u>	<u>186,937</u>	<u>486,632</u>	<u>(7,110,340)</u>
		General revenues			
					\$ 4,954,588
					1,087,206
					4,918,398
					18,008
					952,750
					84,337
					75,666
					<u>12,090,953</u>
					4,980,613
Net position at beginning of the year					<u>23,236,011</u>
Net position at end of the year					<u><u>28,216,624</u></u>

See accompanying notes.

DURANGO FIRE PROTECTION DISTRICT
Basic Financial Statements
Year Ended December 31, 2022

**DURANGO FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET
December 31, 2022**

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 164,390	\$ -	\$ 164,390
Investments - ColoTrust	2,402,047	595,540	2,997,587
Investments - CDs	2,063,892	-	2,063,892
Receivables:			
Due from County Treasurer	46,118	-	46,118
Property taxes receivable	5,152,708	-	5,152,708
Ambulance receivables, net	845,484	-	845,484
Intergovernmental receivables	139,786	-	139,786
Due from General Fund	-	76,140	76,140
Other receivables	59,156	-	59,156
Pre-paid expenses	109,390	-	109,390
Total assets	\$ 10,982,971	\$ 671,680	\$ 11,654,651
Liabilities			
Accounts payable	\$ 160,752	\$ -	\$ 160,752
Accrued payroll	221,699	-	221,699
Payable to Capital Projects Fund	76,140	-	76,140
Other liabilities	6,179	-	6,179
Total liabilities	464,770	-	464,770
Deferred Inflows of Resources			
Deferred property tax revenue	\$ 5,152,708	-	\$ 5,152,708
Total deferred inflow of resources	5,152,708	-	5,152,708
Fund Balance			
Restricted for:			
Emergency reserves	\$ 625,914	-	\$ 625,914
Committed for:			
Capital projects	200,000	671,680	871,680
Unassigned	4,539,579	-	4,539,579
Total fund balance	5,365,493	671,680	6,037,173
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 10,982,971	\$ 671,680	\$ 11,654,651

See accompanying notes

DURANGO FIRE PROTECTION DISTRICT
 Basic Financial Statements
 Year Ended December 31, 2022

**DURANGO FIRE PROTECTION DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
 WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 December 31, 2022**

Fund Balances - Total Governmental Funds \$ 6,037,173

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	38,087,316	
Less accumulated depreciation	<u>(15,523,368)</u>	22,563,948

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		2,801,696
Deferred outflows related to OPEB		22,548
Deferred inflows related to pension		(5,261,688)
Deferred inflows related to OPEB		(68,637)

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 assets		4,049,604
Net OPEB liability		(127,797)
Compensated absences		(809,223)
Deferred in-kind benefits		(991,000)

Net position of governmental activities \$ 28,216,624

See accompanying notes.

DURANGO FIRE PROTECTION DISTRICT
Basic Financial Statements
Year Ended December 31, 2022

**DURANGO FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022**

	General Fund	Capital Projects Fund	Total
Revenues			
Property taxes	\$ 4,954,588	\$ -	\$ 4,954,588
Specific ownership taxes	1,087,206	-	1,087,206
Contract with City of Durango	4,918,398	-	4,918,398
Other local taxes	18,008	-	18,008
Other revenues			
Ambulance income, net	3,937,020		3,937,020
Fees for services	1,340,076	-	1,340,076
Impact Fees	-	214,580	214,580
Grants	186,937		186,937
City of Durango contribution for capital	-	272,052	272,052
Interest Income	79,146	5,191	84,337
Miscellaneous income	45,666	30,000	75,666
Total revenues	16,567,045	521,823	17,088,868
Expenditures			
General government			
Fire administration	1,805,977	-	1,805,977
Fire fighting	5,827,852	-	5,827,852
Fire prevention	604,573	-	604,573
Fire training	547,094	-	547,094
Fire communications	177,198	-	177,198
Fire repair services	629,009	-	629,009
Emergency medical services	4,127,859	-	4,127,859
Stations and buildings	204,621		204,621
Capital outlay	78,848	1,853,784	1,932,632
Contingency	-	-	-
Total Expenditures	14,003,031	1,853,784	15,856,815
Excess (deficiency) of revenues over (under) expenditures	2,564,014	(1,331,961)	1,232,053
Other financing sources and (uses)			
Transfers in (out)	(1,750,000)	1,750,000	-
Sale of assets	-	-	-
Total other financing sources and (uses)	(1,750,000)	1,750,000	-
Net Change in fund balance	814,014	418,039	1,232,053
Fund balance - Beginning of Year	4,551,479	253,641	4,805,120
Fund balance - End of Year	\$ 5,365,493	\$ 671,680	\$ 6,037,173

See accompanying notes.

DURANGO FIRE PROTECTION DISTRICT
Basic Financial Statements
Year Ended December 31, 2022

**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, 2022**

Net change in fund balance - total governmental funds \$ 1,232,052

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	1,932,632
Depreciation expense	(1,147,402)

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	952,750
--	---------

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	916,411
Net Pension and OPEB income/expense related to changes in pension assets, liabilities, deferred inflows, and deferred outflows	1,116,053

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, 2022	(809,223)
Liability at December 31, 2021	<u>787,340</u>
Change in liability	(21,883)

Change in net position of governmental activities \$ 4,980,613

See accompanying notes.

DURANGO FIRE PROTECTION DISTRICT
Basic Financial Statements
Year Ended December 31, 2022

**DURANGO FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 5,022,454	\$ 5,022,454	\$ 4,954,588	\$ (67,866)
Specific ownership taxes	1,000,000	1,000,000	1,087,206	87,206
Contract with City of Durango	4,934,504	4,934,504	4,918,398	(16,106)
Other local taxes	30,000	30,000	18,008	(11,992)
Other revenues				-
Ambulance income	5,920,000	6,520,000	7,078,330	558,330
Fees for services	576,000	1,126,000	1,340,076	214,076
Grants	6,000	6,000	186,937	180,937
Interest	7,000	7,000	79,146	72,146
Miscellaneous income	60,500	60,500	45,666	(14,834)
Total revenues	17,556,458	18,706,458	19,708,355	1,001,897
Expenditures				
General government				
Fire administration	1,830,248	1,830,248	1,805,977	24,271
Fire fighting	4,800,850	5,550,850	5,827,852	(277,002)
Fire prevention	660,000	660,000	604,573	55,427
Fire training	619,350	619,350	547,094	72,256
Fire communications	166,600	166,600	177,198	(10,598)
Fire repair services	561,400	561,400	629,009	(67,609)
Emergency medical services	7,005,950	7,405,950	7,269,169	136,781
Stations and buildings	247,000	247,000	204,621	42,379
Capital outlay	-	-	78,848	(78,848)
Contingency	200,000	200,000	-	200,000
Transfer to capital projects fund	1,200,000	1,750,000	1,750,000	-
Total Expenditures	17,291,398	18,991,398	18,894,341	97,057
Excess of revenues over (under) expenditures	265,060	(284,940)	814,014	1,098,954
Net change in fund balance	265,060	(284,940)	814,014	1,098,954
Fund balance - Beginning of Year			4,551,479	
Fund balance - End of Year			\$ 5,365,493	

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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 HCFPD 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, 2022

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 two 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, 2022

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

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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.

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

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

may not be in excess of available revenues and beginning fund balance. The Board of Directors made two additional appropriations in 2022.

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

Appropriations lapse at the end of the year.

New Accounting Pronouncements

The GASB issued the following Statements with a 2022 implementation: No. 87, "Leases" – No impact; No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." – No impact; No. 91, "Conduit Debt Obligations." – No impact; No. 92, "Omnibus 2020." – No impact; No. 93, "Replacement of Interbank Offered Rates." – No impact.

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. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and NO. 84, and a supersession of GASB Statement No. 32" – No impact as the Authority has no deferred compensation plans in place.

Implementation Guide No. 2019-1, "Implementation Guidance Update-2019." – no significant impact noted; No. 2019-3, "Leases" – no significant impact noted.

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, 2022, the District's cash deposits had a book balance of \$164,390 and a corresponding bank balance of \$233,433. 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, \$0, was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

Investments – At December 31, 2022 the District had investments of \$5,715,102 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, 2022 the District had investments in a Colotrust Plus+ pool of \$2,997,587 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

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

Members Benefit Investment Fund external investment pool. The Colotrust Plus+ is rated AAAM by Standard and Poor with an average maturity of 35 days.

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	\$ 1,064,165	\$ 999,727	\$ 2,063,892	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:

	<u>2022</u>
Colorado State Grant Payable	\$ 4,609
City of Durango - SOT Calculation	135,177
Totals	<u>\$ 139,786</u>

Note 4 – Capital Assets

Capital assets are summarized as follows:

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2022</u>
Depreciable assets				
Vehicles	\$ 12,432,547	\$ 1,779,305	\$ -	\$ 14,211,852
Equipment	4,491,842	78,848		4,570,690
Buildings and leasehold improvements	11,016,434			11,016,434
	1,226,106			1,226,106
Non-depreciable assets				
Land				
Construction in progress	43,312	74,479		117,791
Non-depreciable assets - Building	5,000,693	1,943,750	-	6,944,443
	<u>34,210,934</u>	<u>3,876,382</u>	<u>-</u>	<u>38,087,316</u>
Accumulated depreciation				
Vehicles	(8,333,728)	(504,387)		(8,838,115)
Equipment	(2,642,729)	(369,912)		(3,012,641)
Buildings and leasehold improvements	(3,399,509)	(273,103)	-	(3,672,612)
	<u>(14,375,966)</u>	<u>(1,147,402)</u>	<u>-</u>	<u>(15,523,368)</u>
Total capital assets	<u>\$ 19,834,968</u>	<u>\$ 2,728,980</u>	<u>\$ -</u>	<u>\$ 22,563,948</u>

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

The District utilizes a capitalization threshold of \$5,000. 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 which reduced that liability to \$991,000 as of December 31, 2022.

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	\$ 78,246	\$ 221,253	\$ 751,830
FPPA Plan	3,948,210	0	2,215,042	2,952,934
PERA Plan	179,640	0	365,401	1,556,924
Total	\$ 4,127,850	\$ 78,246	\$ 2,801,696	\$ 5,261,688

As of December 31, 2021, 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	\$ 81,295
Difference between actual and expected experience	1,139,361
Changes in assumptions	623,937
Changes in proportionate share	60,399
Contributions received after measurement date	<u>896,704</u>
Total deferred outflows of resources	<u>\$ 2,801,696</u>

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

Deferred inflows of resources:	
Difference between actual and expected experience	\$ 151,171
Difference between actual and expected earnings	4,892,031
Changes in proportionate share	<u>218,486</u>
Total deferred inflows of resources	<u>\$ 5,261,688</u>

Deferred outflows of resources of \$896,704, 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:

2023	\$ (873,157)
2024	(1,468,625)
2025	(912,217)
2026	(411,143)
2027	206,455
Thereafter	<u>101,991</u>
Total	<u>\$ (3,356,696)</u>

The total pension plan income for 2022 was \$974,981.

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, 2022:

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 2022 was \$-0-. In 2022, 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, 2021. The measurement date was December 31, 2021. 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

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

- Remaining amortization period: 20 years
- 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.
- Projected earnings increases for all ages due to inflation: 2.50%

Plan membership as of January 1, 2021 was as follows:

Active members	35
Retirees and beneficiaries	90
Inactive, non-retired members	<u>7</u>
Total	132

As of December 31, 2022, 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	\$ 81,295
Difference between actual and expected experience	-
Changes in assumptions	-
Changes in proportionate share	-
Contributions received after measurement date	<u>139,958</u>
Total deferred outflows of resources	<u>\$ 221,253</u>
Deferred inflows of resources:	
Difference between actual and expected experience	\$ 56,087
Difference between actual and expected earnings	695,743
Changes in proportionate share	<u>-</u>
Total deferred inflows of resources	<u>\$ 751,830</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:

2023	\$ (201,265)
2024	(226,475)
2025	(151,681)
2026	(91,114)
2027	-
Thereafter	<u>-</u>
Total	<u>\$ (670,535)</u>

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

The Volunteer pension plan income for 2022 was \$106,975. 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	\$ 758,225	\$ 78,246	\$ (494,683)

Changes in Net Pension Liability for the measurement period ended December 31, 2021:

Service cost	\$ 63,252
Interest	455,317
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(546,185)
Net change in total pension liability	(27,616)
Total pension liability - beginning	6,741,911
Total pension liability - ending (a)	6,714,295

Total Fiduciary Net Position:

Contributions - employer	\$ 228,723
Net investment income	868,792
Benefit payments	(546,185)
Administrative expense	(26,956)
State of Colorado supplemental discretionary payment	77,104
Net change in plan fiduciary net position	\$ 601,478
Plan fiduciary net position - beginning	6,034,571
Plan fiduciary net position - ending (b)	\$ 6,636,049
Net pension liability/(asset) - ending (a) - (b)	\$ 78,246
Plan fiduciary net position as a percentage of total pension liability	98.83%

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of rates of return for each major asset class included in the pension plan's target asset allocation as of the valuation date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39%	8.23%
Private Markets	26%	10.63%
Absolute Return	10%	5.60%
Fixed Income - Rates	10%	4.00%

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

Long Short	8%	6.87%
Fixed Income - Credit	5%	5.25%
Cash	2%	2.32%
Total	100%	

"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, cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan, which is available, by directly contacting the FPPA.

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Disability and survivor benefits with respect to death and disability are funded by the State and are disbursed by FPPA according to State statute. Participants' contributions are fully refundable with simple

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

interest of 5% upon request or termination of employment. Employer contributions remain with the plan to help provide benefits to remaining participants.

Covered employees are required by State statute to contribute 12.0% of their salary (excluding paid overtime and comp time) to the plan. The District is required to contribute an additional or matching 9.0% of covered salary. For the year ended December 31, 2022, covered employees contributed \$693,864 on a base salary of \$5,850,992. The District contributed an additional \$521,418 to the plan on covered employees' behalf.

The following is based on an actuarial study completed as of January 1, 2022. The measurement date is December 31, 2021. 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
- Mortality: RP-2014 Mortality Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years
- Projected salary increases: 4.25%-11.25%
- Inflation: 2.5%

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, 2022, 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	\$ -
Difference between actual and expected experience	1,130,581
Changes in assumptions	563,043
Changes in proportionate share	-
Contributions received after measurement date	<u>521,418</u>
Total deferred outflows of resources	<u>\$ 2,215,042</u>

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

Deferred inflows of resources:

Difference between actual and expected experience	\$ 92,083
Difference between actual and expected earnings	2,642,365
Changes in proportionate share	<u>218,486</u>
Total deferred inflows of resources	<u>\$ 2,952,934</u>

Deferred outflows of resources of \$521,418, 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:

2023	\$ (388,681)
2024	(662,001)
2025	(385,608)
2026	(131,465)
2027	206,455
Thereafter	<u>101,990</u>
Total	<u>\$ (1,259,310)</u>

The employer share of net pension liability as of the measurement period ended December 31, 2021 was (\$3,948,210). The employer proportion was 0.73% based on Employer Contributions, slightly higher than what it was the prior year. The SWDB pension income for the period ending December 31, 2022 was \$493,617.

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)	<u>\$ (544,483)</u>	<u>\$ (3,948,210)</u>	<u>\$ (6,768,008)</u>

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income - Rates	10.0%	4.01%
Fixed Income - Credit	5.0%	5.25%

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.0%	

Administrative Personnel Plan

The District provides and contributes to the Statewide Defined Benefit Plan, cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement Association (PERA) for administrative and non-firefighting personnel. The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Colorado statutes assign the authority to establish benefit provisions to the state legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan, which is available by directly contacting PERA.

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan investments are presented at fair value except for short-term investments, which are recorded at cost and approximate fair value.

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 13.71% of covered salary. For the year ended December 31, 2022, covered employees contributed \$126,222 on a base salary of \$1,554,785. The District contributed an additional \$235,328 to the plan on covered employee's behalf.

The collective total pension liability is based upon the December 31, 2020, actuarial valuation, and generally accepted actuarial techniques were applied to roll forward the collective total pension liability to December 31, 2021. 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.

- Rate of return on investments and discount rate: 7.25%
- Actuarial Method: Entry Age
- Price inflation: 2.3%
- Real wage growth: 0.7%
- Wage inflation: 3.0%
- Salary increases: 3.2%-11.3%
- 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 (AIR)

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

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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, 2022, 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	\$ -
Difference between actual and expected experience	8,779
Changes in assumptions	60,895
Changes in proportionate share	60,399
Contributions received after measurement date	<u>235,328</u>
Total deferred outflows of resources	<u>\$ 365,401</u>

Deferred inflows of resources:	
Difference between actual and expected experience	\$ 3,000
Difference between actual and expected earnings	1,553,924
Changes in proportionate share	<u>-</u>
Total deferred inflows of resources	<u>\$ 1,556,924</u>

Deferred outflows of resources of \$235,328, 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:

2023	\$ (283,211)
2024	(580,149)
2025	(374,928)
2026	(188,564)
2027	-
Thereafter	<u>-</u>
Total	<u>\$ (1,426,851)</u>

The employer share of net pension liability as of the measurement period ended December 31, 2021 was \$(179,640). The employer proportion was 0.21% based on Employer Contributions, an increase from the prior year, when the proportion was 0.20%. The pension income for the period ended December 31, 2022 was \$374,389.

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	<u>\$ 1,231,719</u>	<u>\$ (179,640)</u>	<u>\$ (1,360,180)</u>

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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 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

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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 \$19,707 for the year ended December 31, 2022.

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

At December 31, 2022, Durango Fire Protection District reported a liability of \$127,797 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021.

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 2021 relative to the total contributions of participating employers to the HCTF. At December 31, 2021, the District's proportion was 0.015 percent. For the year ended December 31, 2022, Durango Fire Protection District recognized OPEB income of \$1,112. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 195	\$ 30,302
Changes of assumptions or other inputs	2,646	6,932
Net difference between projected and actual earnings on plan investments	-	7,911
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	23,492
Contributions subsequent to the measurement date	<u>19,707</u>	<u>-</u>
Total	<u>\$ 22,548</u>	<u>\$ 68,637</u>

Deferred outflows of resources, in the amount of \$19,707, 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:

2023	\$ (17,185)
2024	(18,242)
2025	(17,932)
2026	(11,887)
2027	(551)
Thereafter	<u>1</u>
Total	<u>\$ (65,796)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using 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
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

Service-based premium subsidy	0.00 percent
PERACare Medicare plans	6.00 percent in 2022, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.75 percent in 2021, 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
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, 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, 2020 valuation for the Trust Fund, but

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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 (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projections using scale MP-2019.

Post-retirement non-disable mortality assumption for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 90 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 MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disable Retiree Table using 99% of the rates for all ages with generational projections using scale MP-2019.

The mortality tables described above are generational mortality tables developed on a head-count weighted basis.

The actuarial assumptions used in the December 31, 2020, 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. 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

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 148,423	\$ 127,797	\$ 110,179

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	\$ 148,423	\$ 127,797	\$ 110,179

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.

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.

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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, 2022 were \$3,141,310 on total charges of \$5,991,877. At December 31, 2022 the allowance for uncollectibles was \$281,181 on total gross receivables of \$1,126,664.

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 position as of December 31, 2022 is \$871,680 which includes \$200,000 committed to improvements on Station 5, and \$671,680 which to Board committed to capital projects. Through December 31, 2022, the City of Durango had made capital contributions to the District in the amount of \$2,448,468 of which 75% was committed to building a new downtown station (Station 2). With the purchase of the Durango School District 9-R property at 201 E. 12th Street in Durango for a potential new Station 2, the District has relieved that commitment.

DURANGO FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended December 31, 2022

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			Balance	Due in
	December 31, 2021	Increases	Decreases	December 31, 2022	one year
Accrued vacation	703,111	413,969	405,907	711,173	355,587
Accrued sick leave	84,229	262,210	248,389	98,050	49,025
	<u>787,340</u>	<u>676,179</u>	<u>654,296</u>	<u>809,223</u>	<u>404,612</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.

DURANGO FIRE PROTECTION DISTRICT
Required Supplemental Information
Year Ended December 31, 2022

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,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the Net Pension Liability	0.210%	0.200%	0.191%	0.227%	0.224%	0.204%	0.212%	0.188%		
Proportionate Share of the Net Pension Liability (Asset)	\$ (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	\$ 1,900,035	\$ 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	-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	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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 235,328	\$ 250,796	\$ 203,309	\$ 166,133	\$ 188,685	\$ 179,613	\$ 157,143	\$ 152,340	\$ 130,463	\$ 150,534
Actual Contribution	\$ 235,328	\$ 250,796	\$ 203,309	\$ 166,133	\$ 188,685	\$ 179,613	\$ 157,143	\$ 152,340	\$ 130,463	\$ 150,534
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered 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	\$ 1,187,179
Actual Contribution as a % of Covered Payroll	15.14%	13.20%	12.68%	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. DFPD began operations in 2014. Information for years prior is for Durango Fire & Rescue Authority the predecessor agency.

DURANGO FIRE PROTECTION DISTRICT
Required Supplemental Information
Year Ended December 31, 2022

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,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the Net Pension Liability	0.729%	0.648%	0.672%	0.649%	0.647%	0.717%	0.702%	0.768%		
Proportionate Share of the Net Pension Liability (Asset)	\$ (3,948,210)	\$ (1,407,529)	\$ (379,798)	\$ 820,278	\$ (931,206)	\$ 259,107	\$ (12,376)	\$ (866,693)		
Actual Covered Member Payroll	\$ 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	-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	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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 521,418	\$ 481,085	\$ 416,596	\$ 429,409	\$ 347,690	\$ 302,888	\$ 293,590	\$ 272,272	\$ 262,860	\$ 254,144
Actual Contribution	\$ 521,418	\$ 481,085	\$ 416,596	\$ 429,409	\$ 347,690	\$ 302,888	\$ 293,590	\$ 272,272	\$ 262,860	\$ 254,144
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered 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	\$ 3,176,800
Actual Contribution as a % of Covered Payroll	8.91%	8.50%	8.00%	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. DFPD began operations in 2014. Information for years prior is for Durango Fire & Rescue Authority the predecessor agency.

DURANGO FIRE PROTECTION DISTRICT
Required Supplemental Information
Year Ended December 31, 2022

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,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service Cost	\$ 63,252	\$ 104,484	\$ 104,484	\$ 112,218	\$ 112,218	\$ 106,833	\$ 106,833	\$ 114,246		
Interest on the Total Pension Liability	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	-	(243,893)	-	169,748	-	20,540	-	(164,171)		
Assumption Changes	-	-	-	282,492	-	171,900	-	-		
Benefit Payments	(546,185)	(552,242)	(531,349)	(518,514)	(496,563)	(492,335)	(435,411)	(419,850)		
Net Change in Total Pension Liability	(27,616)	(219,742)	42,769	511,535	76,329	597,241	83,122	(53,236)		
Total Pension Liability - Beginning	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)	6,714,295	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	\$ 228,723	\$ 222,215	\$ 162,215	\$ 162,215	\$ 162,215	\$ 156,141	\$ 136,141	\$ 132,800		
Pension Plan Net Investment Income	868,792	688,358	733,400	6,492	738,307	269,779	97,518	355,301		
Benefit Payments	(546,185)	(552,242)	(531,349)	(518,514)	(496,563)	(492,335)	(435,411)	(419,850)		
Pension Plan Administrative Expense	(26,956)	(25,690)	(33,741)	(35,490)	(28,998)	(8,352)	(10,193)	(8,497)		
State of Colorado supplemental discretionary payment	77,104	38,552	-	38,552	38,552	38,552	38,552	38,552		
Net Change in Plan Fiduciary Net Position	601,478	371,193	330,525	(346,745)	413,513	(36,215)	(173,393)	98,306		
Plan Fiduciary Net Position - Beginning	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)	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)	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	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		
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		

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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 178,510	\$ 264,021	\$ 264,021	\$ 200,767	\$ 200,767	\$ 174,693	\$ 174,693	\$ 164,607	\$ 164,607	\$ 153,246
Actual Contribution	\$ 178,510	\$ 305,827	\$ 260,767	\$ 162,215	\$ 200,767	\$ 200,767	\$ 194,693	\$ 174,693	\$ 171,352	\$ 171,352
Contribution Deficiency (Excess)	\$ -	\$ (41,806)	\$ 3,254	\$ 38,552	\$ -	\$ (26,074)	\$ (20,000)	\$ (10,086)	\$ (6,745)	\$ (18,106)
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

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
Required Supplemental Information
Year Ended December 31, 2022

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,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the Net Pension Liability	0.015%	0.014%	0.014%	0.018%	0.017%	0.016%				
Proportionate Share of the Net Pension Liability (Asset)	\$ 127,797	\$ 136,948	\$ 160,975	\$ 239,791	\$ 226,403	\$ 226,403				
Actual Covered Member Payroll	\$ 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	6.73%	10.45%	12.29%	16.11%	15.98%	18.27%				
Fiduciary Net Position as a Percentage of Total Pension Liability	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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 19,707	\$ 19,380	\$ 15,734	\$ 13,364	\$ 15,178	\$ 14,448	\$ 12,641	\$ 12,255	\$ 10,495	\$ 12,109
Actual Contribution	\$ 19,707	\$ 19,380	\$ 15,734	\$ 13,364	\$ 15,178	\$ 14,448	\$ 12,641	\$ 12,255	\$ 10,495	\$ 12,109
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered 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	1,187,179
Actual Contribution as a % of Covered Payroll	1.02%	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, 2022

**DURANGO FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues				
Transfer from General Fund	\$ 1,200,000	\$ 1,200,000	1,750,000	\$ 550,000
City of Durango capital contribution	272,052	272,052	272,052	-
Lease purchase funding	3,000,000	3,000,000	-	(3,000,000)
Impact fees	300,000	300,000	214,580	(85,420)
Rent	-	-	30,000	30,000
Interest	2,000	2,000	5,191	3,191
Revenue from in-kind services	-	-	-	-
Total revenues	<u>4,774,052</u>	<u>4,774,052</u>	<u>2,271,823</u>	<u>(2,502,229)</u>
Expenditures				
Capital expenditures				
Capital expenditures for Station 2	3,000,000	3,000,000	74,479	2,925,521
Capital equipment	1,630,000	1,630,000	1,779,305	(149,305)
Lease purchase payments	100,000	100,000	-	100,000
Total Expenditures	<u>4,730,000</u>	<u>4,730,000</u>	<u>1,853,784</u>	<u>2,876,216</u>
Excess of revenues over (under) expenditures	<u>44,052</u>	<u>44,052</u>	<u>418,039</u>	<u>373,987</u>
Net change in fund balance	<u>44,052</u>	<u>44,052</u>	418,039	<u>373,987</u>
Fund balance - Beginning of Year			253,641	
Fund balance - End of Year			<u>\$ 671,680</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: Net position increased by \$4,980,613 (21%) in 2022 after an increase of \$2,269,241 (11%) in 2021. The fund balance increased by \$1,232,053 in 2022 ending the year at \$6,037,173 with \$4,539,579 unassigned and decreased by \$3,746,859 in 2021 ending the year at \$4,805,120 with \$3,726,837 unassigned.

Revenue Capacity: The District received 29% of its revenue from property taxes in 2022. Total taxable assessed valuations for the District were \$576,183,820 in 2019, \$590,554,380 in 2020, \$594,670,760 in 2021, and \$619,296,770 in 2022. The City of Durango contributed 30% 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: La Plata County has experienced a 8% increase in population from 2012 to 2021 when the US Census calculated the population at 56,278. The number of housing units has increased by 9% during the same time frame. Total personal income declined slightly in 2015 and 2016 before increasing in every year through 2021 when it reached \$3,765,617. 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 5.5% in 2021 which was below the national average.

Operating Information: The District currently has 102 full-time employees which is 28 more than DFRA had in 2012 and 2013 and 4 more than DFPD operated with in 2021. Twenty-six of the additional employees are line personnel and operational support staff increased by two. Capital assets are even with the level DFRA had since 2010, and the fleet size increased slightly from what was operated by DFRA since 2010 mainly with additional engines and ambulances. EMS calls have increased by 54% from 2013 to 2022 while Fire calls have fluctuated up and down and were below the ten-year average of 195 per year in 2022. Total call volume increased by 55% from 2013 to 2022.

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
2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary Government:										
Governmental Activities										
Net investment in capital assets	8,761,035	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
Restricted	200,000	322,642	331,827	338,671	416,179	434,970	486,762	542,148	626,642	2,293,772
Unrestricted	8,082,898	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
Total governmental activities net position	17,043,933	16,054,625	15,496,927	14,619,440	13,103,789	15,225,929	18,122,967	20,966,771	23,236,011	28,216,624

Note: Durango Fire Protection District began operations on January 1, 2014. These statistics are available beginning in 2013 however.

Durango Fire Protection District
Changes in Net Position
2014 - 2022

	2014	2015	2016	2017	2018	2019	2020	2021	2022
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
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>
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
Operating grants and contributions	301,290	673,624	26,004	8,234	21,361	22,009	106,223	115,457	186,937
Capital grants and contributions	472,651	416,066	423,097	792,311	430,429	561,720	509,394	782,325	486,632
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>
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>
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
Specific ownership taxes	538,938	538,571	562,268	682,648	953,782	976,534	969,300	1,079,122	1,087,206
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
Other local taxes	170,650	168,241	101,796	55,861	49,769	56,725	44,123	29,931	18,008
In-kind benefits revenue	-	-	-	-	-	-	-	-	952,750
Interest	8,851	11,135	35,908	59,598	176,585	251,489	119,254	499	84,337
Other	39,252	51,015	64,676	45,969	42,688	62,463	75,573	101,255	75,666
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>
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>

Note: Durango Fire Protection District began operations on January 1, 2014. These statistics are available beginning in 2014 however, comparison with the predecessor agency was not useful.

**Durango Fire Protection District
Fund Balances of Governmental Funds
2014 - 2022**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:									
Restricted for:									
Emergency reserves	322,642	331,827	338,671	416,179	434,970	486,762	542,148	624,642	625,914
Committed for:									
Capital projects	472,052	744,104	1,016,156	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
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>
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
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>
Total:									
Restricted for:									
Emergency reserves	322,642	331,827	338,671	416,179	434,970	486,762	542,148	624,642	625,914
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
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
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>

Note: Durango Fire Protection District began operations on January 1, 2014. These statistics are available beginning in 2014 however comparison with the predecessor agency was not useful.

**Durango Fire Protection District
Governmental Funds Changes in Fund Balances
2014 - 2022**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
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
Specific ownership taxes	\$ 538,938	\$ 538,571	\$ 562,268	\$ 682,648	\$ 953,782	\$ 976,534	\$ 969,300	\$ 1,079,122	\$ 1,087,206
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
Other local taxes	170,650	168,241	101,796	55,861	49,769	56,725	44,123	29,931	18,008
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
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
Grants	405,504	643,624	31,396	137,938	21,361	93,271	106,223	231,842	186,937
Impact fees	96,385	144,014	124,034	146,262	148,047	156,375	219,542	383,988	214,580
City of Durango contribution for capital	272,052	272,052	272,052	272,052	272,052	272,052	272,052	272,052	272,052
Interest income	8,851	11,135	35,908	59,598	176,585	251,489	119,254	499	84,337
Miscellaneous income	39,252	51,015	64,676	45,969	42,688	62,463	75,573	101,255	75,666
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
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
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
Fire prevention	389,411	378,768	437,881	460,514	471,902	499,987	541,541	658,075	604,573
Fire training	415,223	351,055	508,162	489,601	558,691	497,303	469,913	544,503	547,094
Fire communications	82,323	89,980	98,935	90,662	133,959	105,315	165,261	176,947	177,198
Fire repair services	423,368	355,086	385,788	439,859	382,487	439,743	420,256	551,323	629,009
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
Stations and building	140,202	159,906	160,432	159,594	165,782	283,487	202,612	238,656	204,621
Capital outlay	576,796	624,457	206,576	452,724	839,336	5,630,442	4,194,250	6,585,200	1,932,632
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
Other financing sources and (uses)									
Sale of assets	-	30,000	21,619	369,958	10,330	62,031	17,800	9,900	-
Total other financing sources and (uses)	\$ -	\$ 30,000	\$ 21,619	\$ 369,958	\$ 10,330	\$ 62,031	\$ 17,800	\$ 9,900	\$ -
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

Note: Durango Fire Protection District began operations on January 1, 2014. These statistics are available beginning in 2014 however comparison with the predecessor agency was not useful.

**Durango Fire Protection District
Assessed Value and Actual Value of Taxable Property
2014 - 2022**

Tax Year	Vacant		Commercial	Industrial	Agricultural	Natural Resources	Oil and Gas	State Assessed	Multi Family Property	Other Ag Property	Renewable Energy Property	Exempt	Total Taxable Assessed Value	Taxable Values	Total	Total Direct Rate
	Land	Residential												Percentage of Estimated Actual Value	Estimated Actual Value	
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

Source: La Plata County Assessor's Office

Note: Durango Fire Protection District began operations on January 1, 2014. These statistics are available beginning in 2014 and comparison with the predecessor agency was not useful.

**Durango Fire Protection District
Direct and Overlapping Property Tax Rates
2014 - 2022**

Tax Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Durango Fire Protection District Direct	5.700	5.700	5.700	5.700	8.200	8.200	8.200	8.200	8.200
Animas La Plata Water Conservancy	0.325	0.333	0.322	0.328	0.328	0.344	0.345	0.352	0.372
Animas Mosquito Control	0.990	0.990	0.990	0.990	0.990	0.990	1.400	1.400	1.400
Bayfield School District	23.222	21.599	21.161	32.478	31.905	31.721	32.848	34.751	34.168
Durango Hills Road Improvement District	0.000	0.000	0.000	20.379	0.000	20.379	20.379	20.379	20.379
Durango School District	19.090	19.090	17.876	19.874	20.281	21.075	22.787	24.025	24.975
Durango West Metropolitan #1	20.200	20.300	19.460	0.000	0.000	0.000	0.000	0.000	0.000
Edgemont Ranch Metropolitan	7.874	7.876	7.875	7.880	7.895	7.906	7.874	7.874	7.874
Edgemont Ranch Metropolitan Bond	3.426	3.600	2.893	2.808	2.724	2.450	2.064	1.927	1.816
El Rancho Florida Metropolitan	25.333	20.589	21.149	26.110	21.573	23.841	15.021	24.919	25.400
Elevation Park Metro District	0.000	0.000	0.000	0.000	0.000	0.000	10.000	10.000	10.000
Elevation Park Metro DistrictBond	0.000	0.000	0.000	0.000	0.000	0.000	50.000	50.000	50.000
Florida Mosquito Control	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
Florida Water Conservancy	0.073	0.066	0.060	0.060	0.060	0.060	0.060	0.060	0.059
Ignacio Community Library District	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Ignacio School District	13.173	11.470	12.436	15.535	18.350	17.713	19.469	19.469	23.369
La Plata Archuleta Water District	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
La Plata County General	7.410	7.410	7.410	7.348	7.348	7.348	7.348	7.115	7.348
La Plata County Human Services	0.380	0.380	0.380	0.443	0.442	0.442	0.442	0.675	0.442
La Plata County R&B	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.710
La Plata Water Conservancy	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295
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
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
Pine River Cemetary	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Pine River Library	2.500	2.504	2.501	2.500	2.500	2.500	4.000	4.000	4.000
Purgatory Metropolitan	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313
Purgatory Metropolitan Subdistrict	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000
Southwest La Plata Library District	0.000	0.000	0.000	0.000	0.000	0.000	1.500	1.500	1.500
Southwestern Water Conservancy	0.368	0.362	0.340	0.395	0.407	0.407	0.407	0.407	0.407
Tamarron Metropolitan District	13.239	13.000	13.000	13.000	13.000	13.000	14.430	14.430	14.004
Tamarron Metropolitan District Bond	37.000	37.000	37.000	37.000	37.000	37.000	41.070	41.070	39.857
Total Direct and Overlapping Millages	302.353	244.637	239.347	275.730	251.491	264.715	328.778	343.109	341.342

Source: La Plata County Assessor's Office

Note: Durango Fire Protection District began operations on January 1, 2014. These statistics are available beginning in 2014 and comparison with the predecessor agency was not useful.

**Durango Fire Protection District
Principal Property Tax Payers
2014 - 2022**

Taxpayer	Tax Years									Percentage of Total Assessed Value
	2014 Taxable Assessed Value	2015 Taxable Assessed Value	2016 Taxable Assessed Value	2017 Taxable Assessed Value	2018 Taxable Assessed Value	2019 Taxable Assessed Value	2020 Taxable Assessed Value	2021 Taxable Assessed Value	2022 Taxable Assessed Value	
Harvest Four Corners LLC							38,019,120	35,504,380	36,760,630	5.94%
Simcoe LLC							40,984,270	15,171,850	26,137,350	4.22%
Hilcorp San Juan LP					9,413,920	14,670,460	10,124,830	11,351,700	13,522,330	2.18%
Simcoe LLC								13,155,780	13,153,180	2.12%
Enduring Resources LLC					7,064,550	6,507,450	4,429,510		9,257,790	1.49%
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	1.03%
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	0.92%
Oldcastle SW Group Inc.						3,598,790	3,949,770	4,090,380	4,090,380	0.66%
IKAV Energy Inc.							4,351,620	4,023,320	4,023,320	0.65%
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	0.61%
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	19.83%

Source: La Plata County Assessors Office

**Durango Fire Protection District
General Fund Property Tax Levies and Collections
2014 - 2022**

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%	-	4,871,429	98.00%

Source: Durango Fire Protection District

Note: Durango Fire Protection District began operations on January 1, 2014. These statistics are available beginning in 2014 and comparison with the predecessor agency was not useful.

**La Plata County, Colorado
Demographic Data
2012 - 2021**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population	52,314	53,146	53,557	54,300	54,884	55,034	55,731	55,509	55,657	56,278
Births	536	495	552	579	571	503	459	421	481	437
Deaths	332	315	301	345	351	353	338	345	371	439
Housing units	26,154	26,262	26,464	26,672	26,937	27,145	27,670	27,983	28,286	28,536
Households	21,559	21,878	22,164	22,522	22,856	23,015	23,380	23,346	23,503	23,774
Average household size	2.34	2.33	2.33	2.32	2.32	2.31	2.30	2.30	2.29	2.29
Registered voters	41,732	41,785	40,154	41,117	44,828	43,870	43,811	45,238	49,435	48,648
Employment	27,583	27,894	28,651	28,871	30,141	30,449	31,122	30,908	28,950	28,702
Unemployment	1,994	1,658	1,256	991	851	706	884	768	1,987	1,681
Unemployment rate	6.70%	5.60%	4.20%	3.30%	2.70%	2.30%	2.80%	2.40%	6.40%	5.50%
Total personal income (thousands)	2,474,162	2,919,909	3,166,310	3,014,871	2,909,514	2,926,919	3,164,292	3,257,804	3,467,600	3,765,617
Per capita personal income	47,137	54,647	58,700	55,040	52,462	52,532	55,994	57,722	61,304	66,944

Sources: Colorado Division of Local Government, Demographic Section, (1-303-866-4989) in cooperation with the U.S. Bureau of Census
Colorado Secretary of State, Colorado Department of Labor - 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 2022 is not available as of this date.

**Durango Fire Protection District
Principal Employers
2009 - 2020***

Employer	2010 Employees	2011 Employees	2012 Employees	2013 Employees	2014 Employees	2015 Employees	2016 Employees	2018 Employees	2019 Employees	2020 Employees	2020 Percentage of Total County Employment
Southern Ute Indian Tribe	1,500	1,500	1,500	970	755	845	795	980	1,545	1,416	5.0%
Durango School District 9-R	544	544	544	573	601	632	853	1,011	788	943	2.5%
Mercy Medical Center	625	625	726	900	797	1,200	860	1,321	941	756	3.0%
Fort Lewis College	535	535	535	709	636	570	660	611	680	673	2.2%
La Plata County	412	412	412	400	326	401	434	458	395	422	1.3%
Wal Mart Stores, Inc.	353	353	320	354	365			322	322	338	1.0%
City of Durango	500	500	430	475	314		546	595	354	328	1.1%
Bayfield School District #10									390	226	1.3%
Rocky Mountain Chocolate Factory									190	190	0.6%
Durango Mountain Resort	346	346	400	400	400	479	1,000		850	136	2.7%
Crossfire						322	705	474			
Sky Ute Lodge and Casino				430	395	400	425	400			
Worldpay (formerly Mercury)	442	442	637	417	409	630	365	360			
BP America						221					
San Juan Basin Health	226	226	226								
Total	5,483	5,483	5,730	5,628	4,998	5,700	6,643	6,532	6,455	5,428	20.9%

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 for 2017 is not available as of this date. Region 9 Economic Development District decided to only compile this information every 2 years after 2020 and information for 2022 was not available at the time this report was prepared.

**Durango Fire Protection District
Full-time Equivalent Employees
2013- 2022**

Function	2013*	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire and EMS										
Firefighters and officers	54	54	54	54	54	58	66	69	76	80
Administrative staff	9	9	9	9	9	9	8	8	9	9
Operational support staff	11	11	11	12	12	13	13	13	13	13
Total Fire and EMS Full-time Employees	74	74	74	75	75	80	87	90	98	102

Source: Durango Fire Protection District

* Numbers for years prior to 2014 are for Durango Fire & Rescue Authority the predecessor agency.

**Durango Fire Protection District
Operating Indicators by Function
2013 - 2022**

	<u>2013*</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function										
Fire										
Structure and wildland fires	302	346	222	364	148	148	98	106	114	105
Hazardous conditions	179	106	116	109	121	91	164	126	169	183
EMS										
Emergency medical	3,089	3,444	3,747	4,127	3,713	3,807	3,865	3,939	4,634	4,785
Public Service Assistance	43	32	29	41	243	218	244	316	278	343
Good Intent Calls					761	843	740	734	787	793
False Alarms	652	656	724	441	265	287	301	260	302	348
Total Calls	<u>4,265</u>	<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>
Inspections	<u>943</u>	<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>

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.

* Numbers for years prior to 2014 are for Durango Fire & Rescue Authority the predecessor agency.

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

Function	2013*	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	1	1	1
Fleet										
Engines	18	18	18	18	18	18	19	19	19	21
Tankers	9	9	9	9	9	9	9	9	9	10
75' aerials	2	2	2	2	2	2	2	2	3	3
Ambulances	6	8	8	8	9	9	9	10	11	10
Brush trucks	8	8	8	8	8	8	8	9	8	9
Rescue trucks	3	3	3	3	3	3	1	3	1	1
Other	33	33	33	33	33	34	28	37	37	40

Source: Durango Fire Protection District

* Numbers for years prior to 2014 are for Durango Fire & Rescue Authority the predecessor agency.

**Durango Fire Protection District
Calls by District
2022**

2020 Calls by District	EMS	False Alarm	Fire	Hazardous Cond.	Public Service	Good Intent	Total
DFRA 1 - Bodo	487	45	11	21	25	73	662
DFRA 2 - Downtown	1,506	116	23	55	170	185	2,055
DFRA 3 - 32nd Street	768	87	10	32	50	110	1,057
DFRA 4 - Sunnyside	58	3	9	9	4	19	102
DFRA 5 - Edgemont	63	6	6	3	16	23	117
DFRA 6 - Trimble	151	8	4	9	17	47	236
DFRA 7 - Elmore's Corner	1,237	18	10	26	45	97	1,433
DFRA 8 - Rafter J	44	7	5	4	1	25	86
DFRA 9 - Durango West	62	2	3	7	1	12	87
DFRA 10 - Elkhorn Mountain	0	0	0	0	0	0	0
DFRA 11 - Bondad	52	1	7	2	2	18	82
DFRA 12 - Timberline	74	7	2	5	5	29	122
DFRA 13 - Falls Creek	17	1	0	2	1	8	29
DFRA 14 - Tamarron	19	7	0	1	0	25	52
DFRA 15 - Electra Lake	23	1	4	1	1	4	34
DFRA 16 - Durango Mtn. Resort	113	39	2	6	2	57	219
Mutual Aid	111	0	9	0	3	61	184
Total	4,785	348	105	183	343	793	6,557

Source: Durango Fire Protection District

