

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Frederick-Firestone Fire Protection District  
Frederick, Colorado

### **Opinions**

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

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

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

In performing 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and GASB required pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*The Adorno Group, LLC*

Greenwood Village, Colorado  
June 16, 2025

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the annual financial report offers readers of the Frederick-Firestone Fire Protection District (the “District”) financial statements the District’s discussion and analysis of its financial performance during the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District’s financial statements, which immediately follow this section.

Background Information

The District was created in December 1975 by a number of concerned citizens about fire protection for their homes and businesses. The predominate fund approach for the District was comprised of the General Fund.

In 1980, the District’s constituency approved a mill levy increase, giving the District 7.750 mills to purchase Fire Station 1 and equipment. On May 5, 1998, the taxpayers approved a ballot question to exempt the District from the revenue and spending limits imposed by the 1992 Colorado Constitutional Amendment, known as the Taxpayers' Bill of Rights (TABOR), which had reduced the District’s general operations mill levy to 7.560. In November 2002, the District Board of Directors requested that taxpayers support a \$4,045,000 bond to remodel existing stations, construct a new fire station, update equipment, and purchase new fire apparatus. The voters approved the bond by a margin of over 65%. In May 2006, voters approved an increase in the general operations mill levy to 11.360 mills to provide emergency medical transport services acquired upon the dissolution of the Tri-Area Ambulance District on January 1, 2006, which eliminated the 6.5 mill levy of the Tri-Area Ambulance District. In November of 2019, voters approved a mill levy increase to 13.900 mills to provide for the acquisition of needed firefighters and paramedics. The mill levy rate of 13.900 mills was in effect for taxes received in 2024.

To take advantage of historically low interest rates and pass on savings to our taxpayers, the District refinanced its 2002 General Obligation Bonds in 2011. This refinance reduced the interest rate by 50%, translating direct savings to taxpayers of more than \$235,000. The General Obligation Refunding Bonds, Series 2011, were issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds were initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Bonds. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. Interest on the Bonds is payable semiannually on June 1 and December 1, commencing December 1, 2011. The Series 2011 Bonds were subsequently refunded by the District in 2022. The principal on the bonds will be payable upon surrender of the Bonds at the principal office of UMB Bank, n.a., Denver, Colorado, as Registrar and Paying Agent.

2024 Financial Highlights

- The District’s financial status reflected an increase in net position during the 2024 fiscal year. The increase was \$8,082,431, a 25.2% increase when compared to beginning net position. The ending net position as of December 31, 2024, was \$40,112,214.
- Property tax, tax increment financing, and specific ownership tax revenues accounted for \$20,418,159 or 83.1% of all revenues. The District had revenue of \$1,767,137 from charges

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

for services, and \$2,388,349 from intergovernmental transfers, interest earnings and other revenues.

- During the year ended December 31, 2024, total governmental activities expenditures were \$16,491,214, of which, \$15,906,166 is related to fire protection and emergency services. The most significant component is salaries and benefits representing approximately 73% of total expenditures.
- At December 31, 2024, the District's general fund balance sheet reported an ending fund balance of \$28,931,803, a decrease of \$2,009,520 from the prior year. The decrease was the result of capital outlay and construction associated with the new Station No.5, Administration Building renovation, and other capital expenditures (See Note 3).
- In 2023, the District created an Impact Fee Fund to account for impact fees received related to development in the Towns of Frederick and Firestone. The Impact Fee fund balance at December 31, 2024, is \$508,728.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

*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 section business.

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

The statement of activities presents information showing how the 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, such as, uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) and other tasks that are intended to recover all or a sizable portion of their costs through user fees.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS

The District’s primary governmental activities include fire protection and emergency medical services. The basic government-wide financial statements can be found on pages 1-2 of this report.

*Fund financial statements.* A fund is a grouping of related accounts that are used to maintain control over resources 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.

*Governmental funds.* Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may help evaluate 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 helpful 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has two governmental funds, a general fund, and an impact fee fund.

The District adopts an annual appropriated budget for the general fund and impact fee fund, as required by State Statutes. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget. The basic governmental fund financial statements are located on pages 3-6 of this report.

*Notes to the financial statements.* The notes provide additional information essential to a comprehensive understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements are located on pages 7-30 of this report.

*Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

As noted earlier, net position may serve over time as a valuable indication of a government's financial position. The District’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$40,112,214 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$8,082,431.

Government-wide Financial Analysis

One of the most significant portions of the District’s total assets in 2024 (62.9%) is the “Current and other assets” category. This is due to the \$19,680,000 general obligation loan procured in 2022

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

and the remaining unspent loan proceeds. In most years, the *Current and other asset* category is the largest category of assets. Capital assets represented 37.1% of total assets because of the completion of Station No.5 and the Administration Building renovation. The District utilizes these capital assets to provide services to citizens; consequently, these assets are not available for future expenditures. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

District's Statement of Net Position

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 43,801,364	\$ 50,670,621
Capital assets	25,816,373	17,302,753
Total assets	69,617,737	67,973,374
Deferred outflows of resources		
Related to pension	4,063,727	4,173,855
Total deferred outflows of resources	4,063,727	4,173,855
Liabilities		
Current liabilities	2,191,697	3,343,345
Long-term liabilities	17,551,682	19,001,061
Total liabilities	19,743,379	22,344,406
Deferred inflows of resources		
Deferred property taxes	13,278,726	17,329,962
Related to pension	547,145	443,078
Total deferred inflows of resources	13,825,871	17,773,040
Net position:		
Net investment in capital assets	16,531,791	12,693,168
Restricted	1,147,728	675,810
Unrestricted	22,432,695	18,660,805
Total net position	\$ 40,112,214	\$ 32,029,783

An additional portion of the District's net position (2.9%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 55.9% of total net position or \$22,432,692, represents unrestricted net position that may be used to meet the District's ongoing obligations.

The District's finances are strong, sound, and stable because of solid, dedicated and committed financial management.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

The changes in net position below show the governmental activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

District's Change in Net Position

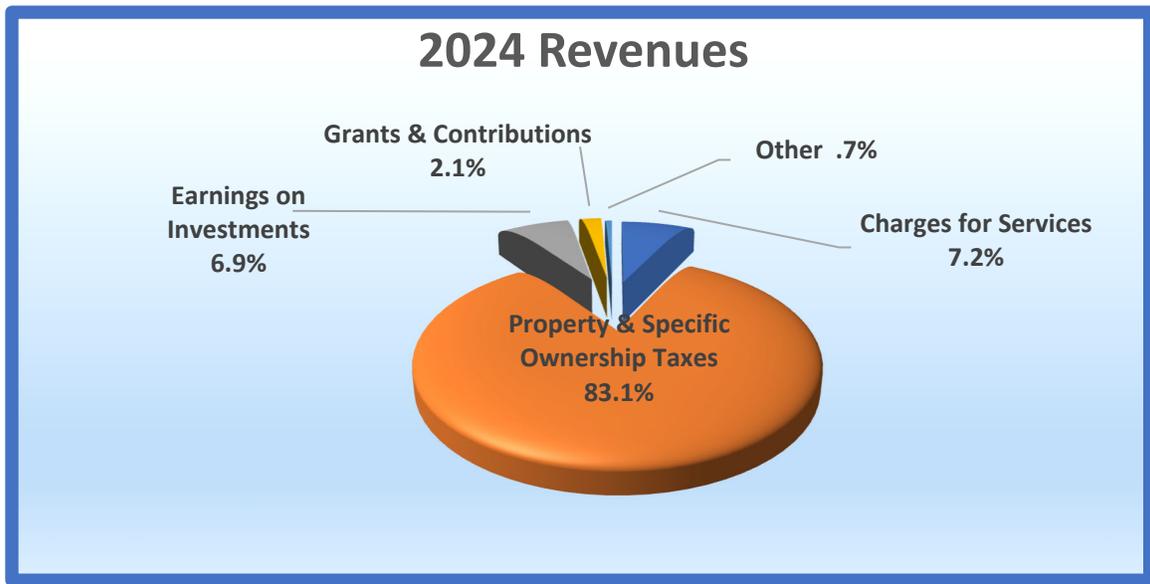
	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 1,767,137	\$ 1,223,769
Operating grants and contributions	521,574	888,165
General revenues:		
Property taxes and specific ownership taxes	20,418,159	16,270,963
Investment earnings	1,698,675	1,818,398
Other revenue	168,100	181,652
Total revenues	24,573,645	20,382,947
Expenses:		
Personnel services	11,982,930	9,753,603
Professional services	1,395,453	895,516
Supplies and materials	615,958	425,885
Education and travel	212,596	184,785
Equipment maintenance	916,118	694,834
Depreciation	783,111	514,952
Interest on long-term debt	585,048	630,781
Total expenses	16,491,214	13,100,356
Change in net position	8,082,431	7,282,591
Net position - beginning	32,029,783	24,747,192
Net position - ending	\$ 40,112,214	\$ 32,029,783

Property tax, tax increment financing and specific ownership taxes account for a substantial portion of the District's revenue, contributing about 83.1% of total revenues as compared to 79.8% of revenues in 2023. During 2024 the District received approximately 16.5% from program revenues; in comparison to approximately 10.4% in 2023.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS

In 2024, investment earnings accounted for approximately 6.9% as compared to 8.9% in 2023. Intergovernmental revenues accounted for 9.3% of total revenues in 2024 versus 4.4% in the prior year. The District’s expenditures are related to all-hazard emergency services delivery, which include administration, fire protection, emergency medical transport, community risk reduction, communications and vehicle and facility maintenance. Given the District is a public service organization providing full-time emergency services, most of the expenses are for salaries and benefits, property, liability insurance, building utilities and repairs, vehicle and equipment maintenance, training, education, and supplies.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the District’s activities for fiscal year 2024 and 2023.

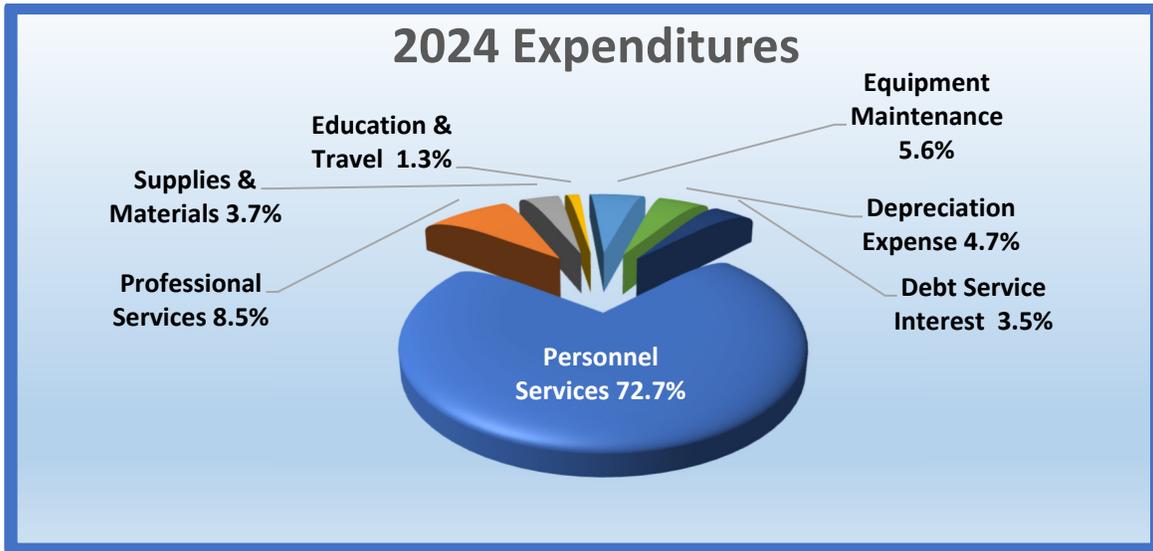


As portrayed above and discussed earlier, the District is heavily reliant on property and specific ownership taxes. These tax revenues account for 83.1% of total revenues.

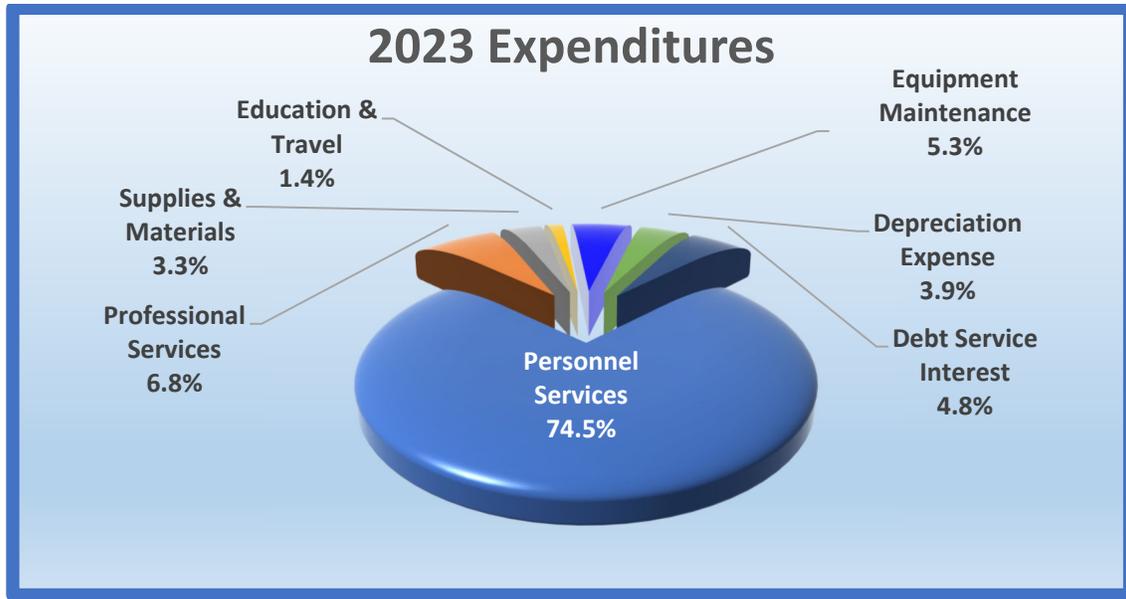
FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS



Total expenses for governmental activities were \$16,491,214 in 2024, compared to \$13,100,356 in 2023. All categories of accrual basis expenses increased in 2024, other than interest on long-term debt.



FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS



Financial Analysis of the General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenditures, and operating costs of the District. This fund supports various functional areas within the organization, including administration, firefighting, emergency medical services, ambulance transport, fire prevention, training, communications, vehicle maintenance, and facility maintenance. The general fund also provides for other items, such as insurance, utilities, fees, and other operating costs that the District incurs. The primary funding source for the general fund is taxation of real property. Other sources of income for the general fund include emergency medical transport services, code enforcement fees, interest income, and miscellaneous revenue.

As of December 31, 2024, the District’s general fund reported an ending fund balance of \$28,931,803, a decrease of \$2,009,520 from the prior year. The reduction in the current year is a result of capital outlay expenditures, which enabled the completion of Station No. 5 and the renovation of the Administration Building. There is \$10,164,121 of unassigned fund balance, which is available for spending at the District’s discretion. Additionally, the District has allocated \$18,128,682 for specific purposes as of December 31, 2024, which includes \$9,924,631 for future capital projects.

Financial Analysis of the Impact Fee Fund

In accordance with State law, in June of 2023, the Town of Firestone and the Town of Frederick each approved an intergovernmental agreement pursuant to which each Town agreed to assess impact fees on behalf of the District on new development within the applicable Town’s municipal boundaries. Immediately upon the Towns approving their respective intergovernmental agreements, the District established a new special revenue fund, the Impact Fees Fund, and a set of self-balancing accounts with ColoTrust. The only purpose of the fund is to account for impact fees. The District includes a separate Impact Fee Fund in its Board-approved budget.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS

With Senate Bill SB24-194 becoming law in 2024, the District is authorized to directly impose impact fees on new development without the Town’s or County’s assistance. The District complied with the new statutory process for establishing impact fees and on October 29, 2024, the District’s Board of Directors adopted a resolution establishing impact fees and adopting an impact fees schedule that applies within the Towns and the County.

As of December 31, 2024, the impact fee fund reported an ending fund balance of \$508,728, reflecting increases in impact fees received in 2024 versus 2023.

General Fund Budgetary Highlights

A budget to actual statement is provided for the general fund. Budgeted taxes represent the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. Positive revenue variances totaling \$1,094,495. Expenditures for the District were under budget by a total of \$9,126,924, primarily due to less actual capital outlay in 2024 than initially budgeted.

The District must maintain a 3% emergency contingency restricted reserve account as a part of the TABOR Amendment (Taxpayer Bill of Rights). On December 31, 2024, the District’s TABOR reserve amounted to \$639,000.

Capital Assets and Debt Administration

*Capital Assets*

At the end of 2024, the District had capital assets of \$25,816,373 (net of depreciation) in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. As outlined below, net capital assets increased \$8,513,620 in 2024 due to capital asset additions, primarily related to completion of the new Station No. 5 and the renovation of the current administration building. Additional information on the District’s capital assets can be found in Note 3 of the financial statements. Total depreciation expense for the year was \$783,111.

Capital Assets (Net of Accumulated Depreciation)

	<u>Governmental Activities, net</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 1,209,820	\$ 1,209,820
Construction in progress	830,080	8,338,131
Buildings	19,707,094	5,502,430
Machinery and equipment	1,334,079	1,319,180
Vehicles	2,735,300	933,192
	<u>\$ 25,816,373</u>	<u>\$ 17,302,753</u>

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS

*Long-Term Debt*

On December 31, 2024, the District had \$18,335,000 in a general obligation loan, as shown below. More detailed information about the District’s long-term liabilities is presented in Note 4 to the financial statements.

Colorado Revised Statute 32-1-1101(6)(a) states that a Fire District shall have a limit of bonded indebtedness determined by a specific formula. The District’s outstanding debt is below this limit.

Outstanding Long-Term Debt

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Bonds and loans payable	<u>\$ 18,335,000</u>	<u>\$ 19,145,000</u>

*Factors Bearing on the District’s Future*

At the time these financial statements were prepared and audited, the District was aware of the following circumstances relating to the 2025 budget year and other factors that could affect the District’s financial situation:

- The *gross* assessed value for the 2025 budget year (all property in the District’s boundaries) decreased to \$980,500,330 when compared to budget year 2024 figure of \$1,287,323,970. Estimated general operating property tax revenue for 2025 is \$13,278,726.
- The District continues to experience significant growth in residential and commercial development within District boundaries.
- The District continues to be faced with challenges in the form of state-level legislative action that lowers residential and commercial assessment rates, and thus, negatively affects the District’s potential property tax revenues now and in the future within a growing community.
- The District continues to hire new personnel to meet increased service demand and has a projected budget for wages and salaries in 2025 of \$11,096,530 compared to a 2024 budgeted amount of \$9,429,526.
- In an election held May 6, 2025, the voters approved a ballot question posed by the District for a one-half cent sales tax. This equals one half of one percent (0.5%) upon sales of taxable goods sold within the District’s boundaries. The sales tax would be a significant and diversifying revenue source for the District. The first primary source of revenue, aside from property taxes, is a key aspect of the District’s history. This is scheduled to go into effect on July 1, 2025.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

The District is not aware of any other facts, decisions, or conditions that are expected to have a significant effect on the District's financial position or results of operations.

*Contacting the District's Financial Management Team*

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the *Frederick-Firestone Fire Protection District* at 8426 Kosmerl Place, Frederick, Colorado 80504-5444, telephone 303-833-2742 or fax 303-833-3736. Please direct all questions or requests to Finance Director Mike Cummins or Fire Chief Jeremy A. Young.

## BASIC FINANCIAL STATEMENTS

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024

	Governmental Activities
<u>Assets</u>	
Cash and investments	\$ 30,233,368
Property tax receivable	13,278,726
EMS accounts receivable, net of allowance for uncollectible of \$129,847	194,771
Other receivable	94,499
Capital assets, not being depreciated	2,039,900
Capital assets, being depreciated (net of accumulated depreciation)	23,776,473
Total Assets	69,617,737
 <u>Deferred Outflows of Resources</u>	
Related to pension	4,063,727
Total Deferred Outflows of Resources	4,063,727
 <u>Liabilities</u>	
Accounts payable	105,426
Accrued wages and benefits	937,788
Accrued interest	47,366
Noncurrent liabilities:	
Due within one year	1,101,117
Due in more than one year	17,500,000
Net pension liability	51,682
Total Liabilities	19,743,379
 <u>Deferred Inflows of Resources</u>	
Related to pension	547,145
Unavailable property taxes	13,278,726
Total Deferred Outflows of Resources	13,825,871
 <u>Net Position</u>	
Net investment in capital assets	16,531,791
Restricted	
Emergencies	639,000
Capital projects	508,728
Unrestricted	22,432,695
Total Net Position	\$ 40,112,214

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental Activities:					
Fire protection and emergency services	\$ 15,906,166	\$ 1,767,137	\$ 521,574	\$ -	\$ (13,617,455)
Interest and fiscal charges	585,048	-	-	-	(585,048)
Total Governmental Activities	\$ 16,491,214	\$ 1,767,137	\$ 521,574	\$ -	(14,202,503)

GENERAL REVENUES:

Property taxes	18,246,451
Property taxes - tax increment financing	1,466,507
Specific ownership taxes	705,201
Investment earnings	1,698,675
Other revenue	168,100
Total General revenues	22,284,934
Change in net position	8,082,431
Net Position, Beginning	32,029,783
Net Position, Ending	\$ 40,112,214

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	General Fund	Impact Fee Fund	Total Governmental Funds
<u>Assets</u>			
Cash and investments	\$ 29,841,006	\$ 392,362	\$ 30,233,368
Property tax receivable	13,278,726	-	13,278,726
Due from other funds	-	116,366	116,366
EMS accounts receivable, net of allowance for uncollectible of \$129,847	194,771	-	194,771
Other receivables	94,499	-	94,499
Total Assets	\$ 43,409,002	\$ 508,728	\$ 43,917,730
 <u>Liabilities, deferred inflows of resources and fund balance</u>			
Liabilities:			
Accounts payable	\$ 105,426	\$ -	\$ 105,426
Accrued wages and benefits	937,788	-	937,788
Due to other funds	116,366	-	116,366
Total Liabilities	1,159,580	-	1,159,580
 <u>Deferred inflows of resources</u>			
Unavailable property taxes	13,278,726	-	13,278,726
Unavailable EMS revenue	38,893	-	38,893
Total Deferred Inflows of Resources	13,317,619	-	13,317,619
 Fund balance:			
Restricted			
Emergencies	639,000	-	639,000
Capital projects	-	508,728	508,728
Assigned			
Capital projects	9,924,631	-	9,924,631
Capital equipment reserve	7,558,500	-	7,558,500
Subsequent year's budget	645,551	-	645,551
Unassigned			
Total Fund Balances	28,931,803	508,728	29,440,531
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 43,409,002	\$ 508,728	\$ 43,917,730

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2024

Total fund balance - governmental funds	\$ 29,440,531
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	25,816,373
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds.	
Emergency medical service fees	38,893
Certain assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Net pension liability	(51,682)
Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.	
Bonds payable	(18,335,000)
Accrued interest	(47,366)
Compensated absences	(266,117)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Related to pension	4,063,727
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Related to pension	(547,145)
Total net position of governmental activities	\$ 40,112,214

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General Fund</u>	<u>Impact Fee Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 18,246,451	\$ -	\$ 18,246,451
Property taxes - tax increment financing	1,466,507	-	1,466,507
Specific ownership taxes	705,201	-	705,201
Intergovernmental revenues	378,968	-	378,968
Impact fees	-	391,806	391,806
Charges for services	1,336,438	-	1,336,438
Earnings on investments	1,689,563	9,112	1,698,675
Contributions and donations	142,606	-	142,606
Other revenue	168,100	-	168,100
Total revenues	<u>24,133,834</u>	<u>400,918</u>	<u>24,534,752</u>
<u>Expenditures</u>			
Current:			
Salaries and benefits	12,309,358	-	12,309,358
Professional services	1,395,453	-	1,395,453
Supplies and materials	615,958	-	615,958
Education and travel	212,596	-	212,596
Equipment maintenance	242,021	-	242,021
Capital outlay	9,970,828	-	9,970,828
Debt service:			
Principal	810,000	-	810,000
Interest and fiscal charges	587,140	-	587,140
Total expenditures	<u>26,143,354</u>	<u>-</u>	<u>26,143,354</u>
Net change in fund balances	(2,009,520)	400,918	(1,608,602)
Fund balances - beginning	30,941,323	107,810	31,049,133
Fund balances - ending	<u>\$ 28,931,803</u>	<u>\$ 508,728</u>	<u>\$ 29,440,531</u>

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT  
OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds: \$ (1,608,602)

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

Capital outlays to purchase or construct capital assets are reported in governmental fund as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay	9,296,731
Depreciation expense	(783,111)

The issuance of long-term debt provides current financial resources to fund, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position.

Principal payments	810,000
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Some expenses in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental fund.

Change in accrued interest	2,092
Change in compensated absences	(73,756)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund.

Emergency medical services	38,893
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Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund. The (increases) decreases in these activities consist of:

Pension income	400,184
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Change in net position of governmental activities	\$ 8,082,431
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FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Frederick-Firestone Fire Protection District (District) is an independent local governmental unit organized under the laws of the State of Colorado and governed by an elected five-member Board of Directors (Board) to provide fire protection and emergency medical services within the boundaries of the District in Weld County, Colorado. The Department was formed in 1975, and the District was formed in 1976.

The accounting policies of the District conform to generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. As required by generally accepted governmental accounting principles, the financial statements of the reporting entity include those of the District (the primary government) which has no component units. The District does not exercise oversight responsibility over any other entity, nor is the District a component of any other governmental entity.

Government-wide and fund financial statements

The government-wide financial statements (i.e., statement of net position and the statement of activities). These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and emergency medical service revenue.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a 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 charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items that are not classified as program revenues are reported as general revenues.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

The 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property tax and emergency medical service fees. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or when the long-term obligations are paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

*General Fund* – The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the District’s policies.

*Impact Fee Fund* – The Impact Fee Fund, which is a special revenue fund managed by the District through a set of self-balancing accounts with ColoTrust. The only purpose of the fund is to account for impact fees that are assessed by each Town on new development occurring within its respective municipal boundaries and collected by the District.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

Cash and Investments

Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at net asset value.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2024, management has recorded an allowance of \$129,847 for contractual allowances and uncollectible ambulance service fees. All receivables are expected to be collected within one year.

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment, and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Buildings and improvements	10 - 50 years
Machinery and equipment	5 - 15 years
Vehicles	7 - 20 years

Compensated Absences

Employees of the District are allowed to accumulate unused vacation and sick time. Upon separation from employment with the District, an employee will be compensated for accrued vacation time, up to the employee's maximum, at their current rate of pay. Accrued sick time is not paid to the employee upon separation. Accumulated unpaid vacation pay is accrued when earned in the government-wide financial statements. A liability is reported in the governmental fund financial statements when payment is due. The District's general fund is used to liquidate compensated absences of the governmental activities.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are recorded for amounts related to the District's defined benefit pension plans which are to be amortized and recognized as revenue/expense in future periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period and certain amounts related to the District's defined benefit pension plans which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

The District reports fund balances in the governmental fund in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defined the different types of fund balances that a governmental entity must use for financial reporting. As of December 31, 2024, fund balances of the governmental funds are classified as follows:

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact. At December 31, 2024, the District had no items reported as nonspendable.

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2024, the District has \$639,000 restricted for emergencies in the general fund and \$508,728 restricted for capital projects in the impact fee fund.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the District’s Board of Directors (Board). The Board is the highest level of decision-making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2024, the District had no amounts classified as committed fund balance.

*Assigned* – Amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the general fund. At December 31, 2024, the District has assigned funds for capital projects of \$17,483,131 and subsequent year’s budget of \$645,551. The District’s goal is to have a combination of 25% of the operating budget in the reserve for emergencies and the operational contingency.

*Unassigned* – Represents the residual classification for the District’s general fund and could report a surplus or deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report up to three categories of net position, as follows:

*Net investment in capital assets* – consists of net capital assets, reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributed to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

*Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Property taxes

Property taxes are levied by the District Board of Directors. The levy is applied to the assessed valuation of taxable real and personal property within the District's boundaries. The County Assessor certified the assessed valuation to the District by December 10<sup>th</sup> of each year, and on or before December 15<sup>th</sup> the District certifies its mill levies to the Board of County Commissioners. The levies constitute a lien on the taxable real and personal property within the District until paid in full.

The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remit the taxes collected monthly to the District.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes (Continued)

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Budgets

In accordance with the Colorado Budget Law, the Board holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The Board can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. A budget is legally adopted for the General Fund on a basis consistent with U.S. generally accepted accounting principles. Prior to December 15, the budget is legally enacted through passage of a resolution.

District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of the general fund must be approved by the Board. In accordance with State law, in June of 2023 the Town of Firestone and the Town of Frederick each approved an intergovernmental agreement pursuant to which each Town agreed to assess an impact fee on new development within the applicable Town's municipal boundaries. Immediately upon the Towns approving their respective intergovernmental agreement, the District established an impact fee fund, a new special revenue fund that is managed by the District through a set of self-balancing accounts with ColoTrust. The District included a separate impact fee fund in its Board-approved 2024 Budget.

Tax, spending, and debt limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (TABOR) which has several limitations, including revenue increases, spending abilities, and other specific requirements of state and local government.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax, spending, and debt limitations (Continued)

In 1998, the District’s voters exempted the District from the revenue and spending limits imposed by TABOR. As a result, the District is permitted to retain and expend all revenues from all sources including ad valorem property taxes. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR’s language in order to determine its compliance. TABOR requires local governments to establish Emergency Reserves.

These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). For the year ending December 31, 2024, the District has restricted \$639,000 for this purpose.

Adoption of New Accounting Standard

For the year ended December 31, 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement. No. 101, *Compensated Absences*, which provides guidance on the accounting and financial reporting of compensated absences. The implementation of the new standard had no material impact on the District’s net position as of December 31, 2024.

NOTE 2 – CASH AND INVESTMENTS

A summary of deposits and investments at December 31, 2024, follows:

Cash Deposits	\$ 622,307
Cash with County Treasurer	61,905
Investments	<u>29,549,156</u>
Total cash and investments	<u>\$ 30,233,368</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government to deposit cash in eligible public depositories. Eligibility is determined by state regulations.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Cash Deposits (Continued)

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2024, the bank balance and carrying amount of the District's deposits were \$837,564 and \$622,307, respectively. All cash deposits were covered by either the FDIC or PDPA.

Investments

The District's investment policy follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party. The District limits investment maturities to five years or less unless formally approved by the Board of Directors. Colorado statutes specify investment instruments meeting a defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States, certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

ColoTrust and Fair Value

As of December 31, 2024, the District had invested \$29,549,156 in the Colorado Local Government Liquid Asset Trust (ColoTrust) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – ColoTrust PRIME, ColoTrust PLUS+, and ColoTrust EDGE.

ColoTrust PRIME and ColoTrust PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

ColoTrust EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. ColoTrust EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust.

The District's investment in ColoTrust is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 3 – CAPITAL ASSETS

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

	Balances December, 31 2023	Additions	Deletions	Balances December, 31 2024
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 1,209,820	\$ -	\$ -	\$ 1,209,820
Construction in progress	8,338,131	8,647,498	16,155,549	830,080
Total capital assets, not being depreciated	<u>9,547,951</u>	<u>8,647,498</u>	<u>16,155,549</u>	<u>2,039,900</u>
Capital Assets, being depreciated				
Buildings	7,468,172	14,478,820	-	21,946,992
Machinery and equipment	2,113,982	222,192	-	2,336,174
Vehicles	4,668,459	2,103,770	104,101	6,668,128
Total capital assets, being depreciated	<u>14,250,613</u>	<u>16,804,782</u>	<u>104,101</u>	<u>30,951,294</u>
Accumulated depreciation				
Buildings	(1,965,742)	(274,156)	-	(2,239,898)
Machinery and equipment	(794,802)	(207,293)	-	(1,002,095)
Vehicles	(3,735,267)	(301,662)	(104,101)	(3,932,828)
Total accumulated depreciation	<u>(6,495,811)</u>	<u>(783,111)</u>	<u>(104,101)</u>	<u>(7,174,821)</u>
Total capital assets, being depreciated, net	<u>7,754,802</u>	<u>16,021,671</u>	<u>-</u>	<u>23,776,473</u>
Government Capital Assets	<u>\$ 17,302,753</u>	<u>\$ 24,669,169</u>	<u>\$ 16,155,549</u>	<u>\$ 25,816,373</u>

Depreciation expense of \$783,111 was charged to fire protection and emergency services for the year ended December 31, 2024.

NOTE 4 – LONG-TERM DEBT

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4 – LONG-TERM DEBT (CONTINUED)

	Balances December 31, 2023	Additions	Deletions	Balances December 31, 2024	Due In One Year
General obligation loan, Series 2022	\$ 19,145,000	\$ -	\$ 810,000	\$ 18,335,000	\$ 835,000
Compensated absences	192,361	238,292	164,536	266,117	266,117
Total	<u>\$ 19,337,361</u>	<u>\$ 238,292</u>	<u>\$ 974,536</u>	<u>\$ 18,601,117</u>	<u>\$ 1,101,117</u>

2022 General Obligation Loan, Series 2022

The District issued a 2022 General Obligation Loan, Series 2022 (the Loan) dated June 30, 2022. The net proceeds of \$19,680,000, along with funds from the District, were used to: (i) pay the costs of issuance of the Loan; and (ii) proceeds were deposited into the Project Fund and will be used (a) acquiring, constructing, and equipping two new fire stations; (b) acquiring fire trucks, ambulances, and general emergency services equipment required for fire suppression; and (c) renovating, remodeling, and enhancing older fire stations and administrative facilities within the District to meet the service needs of firefighters, paramedics, and community infrastructure.

For the 2022 Loan, principal and interest payments are due semiannually on June 1 and December 1, through 2041. Interest accrues at a rate of 3.10%. The Loan shall be subject to redemption prior to its maturity, at the option of the District and as provided for in the Final Terms Certificate, in whole, from any legally available funds, without a redemption premium, subject to the parameters and restrictions of the Resolution.

Debt service requirements through maturity are as follows:

Year ended December 31,	Principal	Interest	Total
2025	\$ 835,000	\$ 561,876	\$ 1,396,876
2026	860,000	535,835	1,395,835
2027	885,000	508,943	1,393,943
2028	915,000	481,276	1,396,276
2029	945,000	452,678	1,397,678
2030 - 2034	5,175,000	1,802,574	6,977,574
2035 - 2039	6,035,000	941,860	6,976,860
2040 - 2041	2,685,000	104,704	2,789,704
Total	<u>\$ 18,335,000</u>	<u>\$ 5,389,746</u>	<u>\$ 23,724,746</u>

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 5 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts resulting from gross negligence or willful and wanton misconduct; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance through a commercial carrier for these risks of loss. Settled claims have not exceeded insured amounts in the last three years.

NOTE 6 – VOLUNTEERS' PENSION FUND

Plan Description

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by the Fire and Police Pension Association of Colorado (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police member's Benefit Fund, an agent multiple employer defined benefit pension plan administered by FPPA.

The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. In addition, the plan provides death and disability benefits funded by insurance policies. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772.

Effective July 1, 2005, the pension fund was closed to new members. At December 31, 2024, the following members were covered by the benefit terms:

Retirees and Beneficiaries	<u>11</u>
Total	<u><u>11</u></u>

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefit for a member is \$200 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$10 per month for every year of services. Surviving spouses are entitled to a 50% benefit.

Survivor's death benefits range from \$100 monthly benefit payment to 50% of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of \$100.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2023. Contributions into the pension fund are derived from two sources; contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2024, the District’s contributions were \$10,003.

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

At December 31, 2024, the District reported a net pension liability of \$51,682. The net pension liability was measured at December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024.

For the year ended December 31, 2024, the District recognized pension income of \$9,653. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	\$ 3,935	\$ -
Contributions Subsequent to the Measurement Date	10,003	-
Total	\$ 13,938	\$ -

\$10,003 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 431
2026	1,272
2027	2,730
2028	(498)
Total	<u>\$ 3,935</u>

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	13 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65

Mortality rates were based on the following:

- **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.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

\*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits). Being the plan’s fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 7.00% was used as the discount rate.

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

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

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	[a]	[b]	[a] - [b]
Balance, December 31, 2022	\$ 160,856	\$ 97,990	\$ 62,866
Changes for the year:			
Interest	10,579	-	10,579
Net investment income	-	9,111	(9,111)
Contributions - employer	-	10,003	(10,003)
Benefit payments including refunds of employee contributions	(19,800)	(19,800)	-
Administrative expense	-	(6,354)	6,354
State of Colorado supplemental discretionary payment	-	9,003	(9,003)
Net changes	(9,221)	1,963	(11,184)
Balance, December 31, 2023	\$ 151,635	\$ 99,953	\$ 51,682

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension asset calculated using the discount rate of 7.00 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1- percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 61,521	\$ 51,682	\$ 42,989

FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – STATEWIDE RETIREMENT PLAN

Plan Description

The District contributes to the Statewide Retirement Plan, which was formally known as the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by FPPA. The Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan. All full-time, paid firefighters of the District are members of the SWDB.

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 requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at [www.fppaco.org](http://www.fppaco.org).

Description of Benefits

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The normal retirement age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with a combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service. A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the defined benefit component is 2.0 percent of the average of the member's highest three-year base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost-of-living adjustment (COLA). COLAs may be compounding or non-compounding.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Description of Benefits (Continued)

The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, a member may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the defined benefit component contributed 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the members of the defined benefit component and their employers contributed at a rate of 12.0 percent and 10.0 percent, respectively, of base salary for a total contribution rate of 22.0 percent. The District's contributions to the plan for the year ended December 31, 2024 were \$841,844, equal to the required contributions.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – STATEWIDE RETIREMENT PLAN (CONTINUED)

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

At December 31, 2024, the District reported a net pension liability of \$0, representing its proportionate share of the net pension asset of the plan. The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2023, the District’s proportion was 0.7269% which was an increase of 0.0473% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the District recognized pension income of \$227,153. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 1,384,412	\$ 66,517
Changes of Assumptions or other Inputs	803,014	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	993,882	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	26,637	480,628
Contributions Subsequent to the Measurement Date	<u>841,844</u>	-
Total	<u>\$ 4,049,789</u>	<u>\$ 547,145</u>

\$841,844 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 466,432
2026	722,034
2027	1,063,638
2028	79,255
2029	115,189
Thereafter	<u>214,252</u>
Total	<u>\$ 2,660,800</u>

Actuarial Assumptions

The actuarial valuations as of January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2024	January 1, 2023
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	<u>100%</u>	

Discount Rate

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Discount Rate (Continued)

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 the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board’s Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board’s policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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

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

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as the District’s proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate, as follows:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 4,076,226</u>	<u>\$ -</u>	<u>\$ -</u>

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 7 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

NOTE 8 – SUBSEQUENT EVENT

In an election held May 6, 2025, the voters approved a ballot question posed by the District for a one-half cent sales tax. This equals one half of one percent (0.5%) upon sales of taxable goods sold within the District's boundaries. The sales tax would be a significant and diversifying revenue source for the District. The first primary source of revenue, aside from property taxes, is a key aspect of the District's history. This is scheduled to go into effect on July 1, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – GENERAL FUND – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Original and</u>		<u>Variance</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Positive</u>
			<u>(Negative)</u>
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 17,329,961	\$ 18,246,451	\$ 916,490
Property taxes - tax increment financing	1,705,442	1,466,507	(238,935)
Specific ownership taxes	625,000	705,201	80,201
Intergovernmental revenues	1,205,567	378,968	(826,599)
Charges for services	948,500	1,336,438	387,938
Earnings on investments	1,089,769	1,689,563	599,794
Contributions and donations	112,600	142,606	30,006
Other revenue	22,500	168,100	145,600
Total revenues	<u>23,039,339</u>	<u>24,133,834</u>	<u>1,094,495</u>
<u>Expenditures</u>			
Current:			
Salaries and benefits	12,274,392	12,309,358	(34,966)
Professional services	1,227,547	1,395,453	(167,906)
Supplies and materials	731,255	615,958	115,297
Education and travel	300,114	212,596	87,518
Equipment maintenance	298,733	242,021	56,712
Capital outlay	19,041,097	9,970,828	9,070,269
Debt service:			
Principal	810,000	810,000	-
Interest and fiscal charges	587,140	587,140	-
Total expenditures	<u>35,270,278</u>	<u>26,143,354</u>	<u>9,126,924</u>
Net change in fund balance	<u><u>\$(12,230,939)</u></u>	<u>(2,009,520)</u>	<u><u>\$ 10,221,419</u></u>
Fund balance - beginning		<u>30,941,323</u>	
Fund balance - ending		<u><u>\$ 28,931,803</u></u>	

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – IMPACT FEE FUND – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Impact fees	\$ 500,000	\$ 391,806	(108,194)
Earnings on investments	<u>8,250</u>	<u>9,112</u>	<u>862</u>
Total revenues	<u>508,250</u>	<u>400,918</u>	<u>(107,332)</u>
 Net change in fund balance	 <u>\$ 508,250</u>	 400,918	 <u>\$ (107,332)</u>
 Fund balance - beginning		 <u>107,810</u>	
Fund balance - ending		<u>\$ 508,728</u>	

See accompanying Independent Auditors' Report

**FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND**  
**RELATED RATIOS – VOLUNTEER PENSION TRUST FUND**  
**LAST 10 FISCAL YEARS**

Measurement period ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b><u>Total Pension Liability</u></b>										
Interest	\$ 10,579	\$ 12,818	\$ 13,568	\$ 14,754	\$ 15,661	\$ 16,726	\$ 17,708	\$ 16,680	\$ 17,693	\$ 18,525
Differences between actual and expected experience	-	(23,327)	-	(4,690)	-	8,306	-	14,657	-	1,684
Changes in assumptions	-	(510)	-	-	-	5,713	-	13,571	-	-
Benefit payments	(19,800)	(22,100)	(26,400)	(27,600)	(29,600)	(30,400)	(31,200)	(31,200)	(31,200)	(31,400)
Net change in total pension liability	(9,221)	(33,119)	(12,832)	(17,536)	(13,939)	345	(13,492)	13,708	(13,507)	(11,191)
Total pension liability - beginning	160,856	193,975	206,807	224,343	238,282	237,937	251,429	237,721	251,228	262,419
Total pension liability - ending	<u>\$ 151,635</u>	<u>\$ 160,856</u>	<u>\$ 193,975</u>	<u>\$ 206,807</u>	<u>\$ 224,343</u>	<u>\$ 238,282</u>	<u>\$ 237,937</u>	<u>\$ 251,429</u>	<u>\$ 237,721</u>	<u>\$ 251,228</u>
<b><u>Plan Fiduciary Net Position</u></b>										
Net investment income	\$ 9,111	\$ (8,469)	\$ 14,588	\$ 11,188	\$ 13,953	\$ 287	\$ 16,351	\$ 6,146	\$ 2,552	\$ 8,850
Employer contributions	10,003	10,003	10,003	20,006	-	10,003	10,003	10,003	10,003	10,003
Benefit payments including refunds of employee contributions	(19,800)	(22,100)	(26,400)	(27,600)	(29,600)	(30,400)	(31,200)	(31,200)	(31,200)	(31,400)
Pension plan administrative expense	(6,354)	(3,444)	(4,092)	(3,436)	(4,098)	(3,442)	(3,646)	(464)	(1,334)	(591)
State of Colorado discretionary payment	9,003	9,003	9,003	9,003	9,003	9,003	9,003	9,003	9,003	9,003
Net change in plan fiduciary net position	1,963	(15,007)	3,102	9,161	(10,742)	(14,549)	511	(6,512)	(10,976)	(4,135)
Plan Fiduciary net position - beginning	97,990	112,997	109,895	100,734	111,476	126,025	125,514	132,026	143,002	147,137
Plan Fiduciary net position - ending	<u>\$ 99,953</u>	<u>\$ 97,990</u>	<u>\$ 112,997</u>	<u>\$ 109,895</u>	<u>\$ 100,734</u>	<u>\$ 111,476</u>	<u>\$ 126,025</u>	<u>\$ 125,514</u>	<u>\$ 132,026</u>	<u>\$ 143,002</u>
Net pension liability - ending	\$ 51,682	\$ 62,866	\$ 80,978	\$ 96,912	\$ 123,609	\$ 126,806	\$ 111,912	\$ 125,915	\$ 105,695	\$ 108,226
Plan fiduciary net position as a percentage of total pension liability	65.92%	60.92%	58.25%	53.14%	44.90%	46.78%	52.97%	49.92%	55.54%	56.92%
Covered payroll	N/A									
Net pension liability as a percentage of covered payroll	N/A									

See accompanying Independent Auditors' Report

**FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS – VOLUNTEER PENSION TRUST FUND**  
**LAST 10 FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 13,626	\$ 13,626	\$ 16,373	\$ 19,005	\$ 20,006	\$ 6,874	\$ 10,003	\$ 10,003	\$ 10,003	\$ 10,003
Actual contribution*	<u>19,006</u>	<u>19,006</u>	<u>19,006</u>	<u>19,006</u>	<u>29,009</u>	<u>9,003</u>	<u>19,006</u>	<u>19,006</u>	<u>19,006</u>	<u>19,006</u>
Contribution deficiency (excess)	<u>\$ (5,380)</u>	<u>\$ (5,380)</u>	<u>\$ (2,633)</u>	<u>\$ (1)</u>	<u>\$ (9,003)</u>	<u>\$ (2,129)</u>	<u>\$ (9,003)</u>	<u>\$ (9,003)</u>	<u>\$ (9,003)</u>	<u>\$ (9,003)</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*Includes both employer and State of Colorado supplemental discretionary payment

**Notes to Schedule:**

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021 determines the contribution amounts for 2022 and 2023.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	13 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	<b>Pre-retirement:</b> 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. <b>Post-retirement:</b> 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. <b>Disabled:</b> 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.

\*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

**FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY – STATEWIDE DEFINED BENEFIT PLAN**  
**LAST 10 FISCAL YEARS**

Fiscal year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.7269%	0.6796%	0.6817%	0.5759%	0.5041%	0.4995%	0.5041%	0.5445%	0.5160%	0.5404%
District's proportionate share of the net pension liability (asset)	\$ -	\$ 603,195	\$ (3,694,385)	\$ (1,250,334)	\$ (285,122)	\$ 631,444	\$ (725,232)	\$ 196,746	\$ (9,096)	\$ (609,928)
District's covered payroll	7,141,746	5,912,411	5,487,871	4,624,261	3,715,688	3,345,613	3,005,373	2,786,617	2,501,351	2,430,600
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.0%	10.2%	(67.3%)	(27.0%)	(7.7%)	18.9%	(24.1%)	7.1%	(0.4%)	(25.1%)
Plan fiduciary net pension as a percentage of the total pension liability	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%

\*The amounts presented for each fiscal year were determined as of December 31, based on the measurement date of the plan.

See accompanying Independent Auditors' Report

**FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AND RELATED RATIOS**  
**STATEWIDE DEFINED BENEFIT PLAN**  
**LAST 10 FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 841,844	\$ 678,466	\$ 532,117	\$ 466,469	\$ 369,941	\$ 297,255	\$ 267,649	\$ 240,430	\$ 222,929	\$ 200,108
Contributions in relation to the statutorily required contributions	<u>841,844</u>	<u>678,466</u>	<u>532,117</u>	<u>466,469</u>	<u>369,941</u>	<u>297,255</u>	<u>267,649</u>	<u>240,430</u>	<u>222,929</u>	<u>200,108</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered payroll	\$ 8,418,443	\$ 7,141,746	\$ 5,912,411	\$ 5,487,871	\$ 4,624,261	\$ 3,715,688	\$ 3,345,613	\$ 3,005,373	\$ 2,786,617	\$ 2,501,351
Contributions as a percentage of covered payroll	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

\*The amounts presented for each fiscal year were determined as of December 31.

See accompanying Independent Auditors' Report