

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**Financial Statements
With
Independent Auditors' Report**

**For the Year Ended
December 31, 2024**

Chaffee County Fire Protection District

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FINANCIAL SECTION

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2024

This management's discussion and analysis of the Chaffee County Fire Protection District financial performance provides an overall review of the District's financial activities for the year ended December 31, 2024. The intent of this management's discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the District's financial performance.

Financial Highlights

The District offers fire protection services to over 1,000 square miles of Chaffee County, excluding the town of Salida, and the boundaries of the South Arkansas Fire Protection District. The District's assets exceeded its liabilities at the close of 2024 by \$4,521,229 (*net position*), which is an increase of \$248,532 from the prior year. Of this amount, \$1,490,678 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.

May 11, 2021 the District entered into an Intergovernmental Agreement with the Town of Buena Vista for Emergency Services. The annual compensation to the District from the Town of Buena Vista is the equivalent of the tax revenue that would be collected if all Town taxable properties were in the District. The annual compensation for 2024 was \$505,885.

The District imposes a mill levy of 4.113 mills upon each dollar of the total valuation for assessment of all taxable property with the District. The property taxes received from this mill levy for the 2024 year was \$1,839,327. The District's net position is used for on-going operations and upcoming capital projects, repairs, maintenance and replacement of existing equipment.

The District had total revenues of \$3,290,777 in 2024 versus \$2,192,779 in 2023, an increase of \$1,097,998. The large increase is due mainly to an increase in property tax because of increased assessed values and increased building in Chaffee County.

Using the Basic Financial Statements

The Basic Financial Statements consists of management's discussion and analysis (this section) and a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2024

The first statement, The Statement of Net Position, provides long-term and short-term information about the District's overall financial status.

The Statement of Net Position presents information on all of the District's assets and liabilities, 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 remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-Wide Financial Statements

Governmental Type Activities:

The District's governmental-type activity consists of the fire protection district operations. The District's fire protection district operations are supported primarily by property taxes received and charges for services.

Financial Analysis of the District as a Whole

Net position increased in 2024 by \$295,699 to \$4,568,396, compared to the increase in 2023 of \$98,892 to \$4,272,697.

Cash and investments of the District on December 31, 2024, totaled \$1,351,606 and at December 31, 2023 totaled \$1,035,656, not including amounts held for pension benefits, which were \$2,835,890 in 2024 and \$2,585,068 for 2023.

Capital assets, net of accumulated depreciation, of the District on December 31, 2024 totaled \$2,943,551, a net change of \$161,834.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2024

Net position

A summary of the District's net position at December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Assets:		
Current and other assets	\$ 3,358,177	\$2,974,261
Capital Assets - Net	<u>2,943,551</u>	<u>2,781,719</u>
Total Assets	6,301,728	5,755,980
Deferred Outflows of Resources - Pension & OPEB	450,547	792,428
Liabilities:		
Current and other liabilities	152,121	144,199
Non-Current Liabilities	<u>119,694</u>	<u>119,120</u>
Total Liabilities	271,815	263,319
Deferred Inflows of Resources:		
Property Tax	1,839,327	1,866,307
Pension and OPEB	<u>72,737</u>	<u>146,085</u>
Total Deferred Inflow of Resources	1,912,064	2,012,392
Net Position:		
Invested in capital assets	2,943,551	2,781,719
Restricted Net Position	87,000	66,000
Unrestricted Net Position	<u>1,537,845</u>	<u>1,424,978</u>
Total Net Position	<u>\$ 4,568,396</u>	<u>\$4,272,697</u>

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2024**

Condensed Statement of Activities

A condensed statement of activities for the District at December 31, 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
PROGRAM REVENUES		
Charges for Services	\$ 227,801	\$ 446,609
Operating Grants & Contributions	<u>789,255</u>	<u>187,197</u>
Total Program Revenues	<u>1,017,056</u>	<u>633,806</u>
GENERAL REVENUES		
Property Taxes	2,017,168	1,255,632
Other Taxes	167,446	152,361
Investment Earnings	63,743	62,730
Other Revenues	<u>25,364</u>	<u>88,250</u>
Total General Revenues	<u>2,273,721</u>	<u>1,558,973</u>
Total Revenues	3,290,777	2,192,779
PROGRAM EXPENSES		
Public Safety	<u>2,995,078</u>	<u>2,093,887</u>
Change in Net Position	295,699	98,892
Net Position, Beginning	<u>4,272,697</u>	<u>4,173,805</u>
Net Position, Ending	<u>\$ 4,568,396</u>	<u>\$ 4,272,697</u>

Budget and Actual Comparisons

Actual revenues were more than budgeted revenues by \$361,765 in 2024. Actual expenditures were less than budgeted by \$41,209. The most significant difference between budget and actual expenses was related to administration and maintenance and repair.

Capital Assets

The total accumulated depreciation for 2024 was \$3,938,477, with the total net increase of \$161,834, leaving a balance of \$2,943,551 in net capital assets. Additions include the completion of the Fire Station

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2024**

#4 remodel, which was moved from construction in progress to buildings and improvements. Also, the District purchased additional self-contained breathing apparatuses (SCBAs) and refurbished one of its fire trucks.

The following is a summary of capital asset activity:

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24
Capital assets not being depreciated				
Land	\$ 183,016	\$ -	\$ -	\$ 183,016
Construction in Progress	1,002,328	99,592	(1,101,920)	-
Total capital assets not being depreciated	<u>1,185,344</u>	<u>99,592</u>	<u>(1,101,920)</u>	<u>183,016</u>
Capital assets being depreciated				
Building and improvements	966,827	1,101,920	-	2,068,747
Equipment	806,366	45,048	-	851,414
Vehicles and accessories	3,519,014	259,837	-	3,778,851
Total capital assets being depreciated	<u>5,292,207</u>	<u>1,406,805</u>	<u>-</u>	<u>6,699,012</u>
Total capital assets	<u>6,477,551</u>	<u>1,506,397</u>	<u>(1,101,920)</u>	<u>6,882,028</u>
Accumulated depreciation				
Buildings and improvements	(407,279)	(82,530)	-	(489,809)
Equipment	(608,298)	(30,728)	-	(639,026)
Vehicles and accessories	(2,680,257)	(129,385)	-	(2,809,642)
Total accumulated depreciation	<u>(3,695,834)</u>	<u>(242,643)</u>	<u>-</u>	<u>(3,938,477)</u>
Net capital assets being depreciated	<u>1,596,373</u>	<u>1,164,162</u>	<u>-</u>	<u>2,760,535</u>
Net capital assets	<u>\$ 2,781,717</u>	<u>\$ 1,263,754</u>	<u>\$ (1,101,920)</u>	<u>\$ 2,943,551</u>

Long Term Obligations

The District also posted a total of \$20,538 in accrued compensated absences.

Additional information on the long term obligations can be found in Note 5 of the financial statements.

The following is a summary of long term obligations:

	Balance 12/31/23	Net Change	Balance 12/31/24	Due Within One Year
Accrued Compensated Absences	\$ 27,362	\$ (6,824)	\$ 20,538	\$ 20,538
Pension Liability (Asset)	(99,976)	199,132	99,156	-
	<u>\$ (72,614)</u>	<u>\$ 192,308</u>	<u>\$ 119,694</u>	<u>\$ 20,538</u>

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) December 31, 2024

The Future of the District


Looking to 2025 and 2026, the District will be exploring funding options for future capital projects including a new station, apparatus replacement and continued operating expenses. With the increased development and population growth of the District, staffing demands have increased. In an effort to address the additional needs and expectations of the community, the District will be exploring additional staffing models to possibly support after hour coverage. The District will continue to maintain current equipment and apparatus while planning for replacement of critical equipment that has become obsolete or fails service tests. The District will be seeking grant funds to replace outdated VHF radios. The Chaffee Chips program will be reviewed in partnership with the Chaffee County government to ensure the needs of the community are still being achieved.

Request for Information

The financial report is designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the District's finances. Questions concerning this or any additional information should be addressed to Chaffee County Fire Protection District, 499 Antero Cir, Buena Vista CO 81211.



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Chaffee County Fire Protection District

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information 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.

Other Matter

The financial statements of Chaffee County Fire Protection District as of December 31, 2023, were audited by other auditors whose report dated November 4, 2024, expressed an unmodified opinion on those financial statements. As more fully described in Note 7 to the financial statements, the District has adjusted its 2024 financial statements to retrospectively apply the correction of an error. The other auditors reported on the financial statements before the retrospective adjustment.

As part of our audit of the 2024 financial statements, we also audited adjustments described in Note 7 that were applied to restate the 2023 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2023 financial statements of the District other than with respect to the adjustments and, accordingly, we do not express an opinion or any form of assurance on the 2023 financial statements as a whole.

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

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

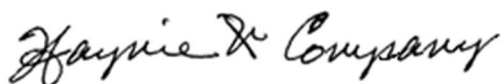
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the general fund, and pension information 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.

Supplementary Information

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

Sincerely,



Littleton, Colorado
July 30, 2025

Basic Financial Statements

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

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Equivalents	\$ 1,351,606
Property Tax Receivable	1,839,327
Certificate of Deposit	41,768
Cash with Fiscal Agent	12,606
Accounts Receivable	96,938
Due from Pension Trust Fund	<u>15,932</u>
Total Current Assets	3,358,177
Noncurrent Assets	
Capital Assets Not Being Depreciated	183,016
Capital Assets Being Depreciated, net	<u>2,760,535</u>
Total Noncurrent Assets	<u>2,943,551</u>
Total Assets	6,301,728
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Pensions (net)	<u>450,547</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 134,225
Accrued Payroll	<u>17,896</u>
Total Current Liabilities	152,121
Long-Term Liabilities	
Due in One Year or Less	20,538
Due in Excess of One Year	<u>99,156</u>
Total Long-term Liabilities	<u>119,694</u>
Total Liabilities	<u>271,815</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Property Tax	1,839,327
Pensions (net)	<u>72,737</u>
Total Deferred Inflows of Financial Resources	1,912,064
NET POSITION	
Investment in Capital Assets	2,943,551
Restricted Net Position	87,000
Unrestricted Net Position	<u>1,537,845</u>
Total Net Position	<u><u>\$ 4,568,396</u></u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Activities
Year Ended December 31, 2024

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Change in Net</u>
			<u>Contributions</u>	<u>Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental Activities:				
Public Safety	<u>\$ 2,995,078</u>	<u>\$ 227,801</u>	<u>\$ 789,255</u>	<u>\$ (1,978,022)</u>
General Revenues:				
Property Taxes, levied for general purposes				2,017,168
Specific Ownership Taxes				167,446
Investment Earnings				63,743
Other Revenues				<u>25,364</u>
Total General Revenues				<u>2,273,721</u>
Change in Net Position				295,699
Net Position, Beginning				<u>4,272,697</u>
Net Position, Ending				<u>\$ 4,568,396</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Balance Sheet - Governmental Fund
December 31, 2024

	<u>General Fund</u>
	<u>2024</u>
ASSETS	
Cash and Equivalents	\$ 1,351,606
Certificate of Deposit	41,768
Cash with Fiscal Agent	12,606
Property Tax Receivable	1,839,327
Accounts Receivable	96,938
Due from Pension Trust Fund	15,932
Total Assets	<u>\$ 3,358,177</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 134,225
Accrued Payroll	17,896
Total Liabilities	<u>152,121</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Property Tax	1,839,327
FUND BALANCE	
Restricted for Emergencies	87,000
Committed for Operating Reserves	822,694
Assigned for Station Development	200,000
Assigned for Equipment Replacement	257,035
Total Fund Balance	<u>1,366,729</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 3,358,177</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Reconciliation of Governmental Fund Balance to Governmental
Activities Net Position
December 31, 2024

Fund Balance - Governmental Funds \$ 1,366,729

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 funds:

Capital Assets	6,882,028	
Accumulated Depreciation	(3,938,477)	2,943,551

Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds:

FPPA Statewide Retirement Plan

Deferred Outflows of Financial Resources- Pensions (Net)	318,930	
Deferred Inflows of Financial Resources - Pensions (Net)	(72,737)	246,193

Chaffee County Fire Protection District Volunteer Pension Fund

Net Pension Liability	(99,156)	
Deferred Outflows of Financial Resources - Pensions (Net)	131,617	32,461

Accrued compensated absences are expensed when paid in the funds and are recorded as long-term obligations for the statement of net position:

Accrued Compensated Absences	(20,538)
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Net Position - Governmental Activities \$ 4,568,396

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Change in Fund Balance -
Governmental Fund
Year Ended December 31, 2024

	<u>General Fund</u>
	<u>2024</u>
REVENUES	
Taxes	\$ 2,184,614
Intergovernmental	789,255
Charges for Services	227,801
Investment Earnings	63,743
Other Revenues	25,364
Total Revenues	<u>3,290,777</u>
 EXPENDITURES	
Current	
Public Safety (Operations)	2,217,815
Pension Expenses	265,511
Capital Outlay	404,477
Total Expenditures	<u>2,887,803</u>
 Change in Fund Balance	 402,974
 Fund Balance, Beginning	 <u>963,755</u>
Fund Balance, Ending	<u>\$ 1,366,729</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Reconciliation of Governmental Change in Fund Balance to
Governmental Activities Change in Net Position
Year Ended December 31, 2024

Change in Fund Balance - Governmental Funds \$ 402,974

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

Purchases of capital assets are expensed in the funds and depreciated for the statement of activities while capital asset deletions are not reported in the funds:

Capital Outlay	404,477	
Depreciation Expense	<u>(242,643)</u>	161,834

Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

Change in Deferred Outflows of Financial Resources - Pensions (Net)	(341,882)	
Change in Net Pension Asset/Liability	(7,398)	
Change in Deferred Inflows of Financial Resources- Pensions	<u>73,347</u>	(275,933)

Accrued compensated absences are expensed when paid in the funds and are recorded as long-term obligations for the statement of net position:

Change in Accrued Compensated Absences	<u>6,824</u>	
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Change in Net Position - Governmental Activities \$ 295,699

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Fiduciary Net Position - Pension Trust Fund
December 31, 2024

	<u>Pension Trust Fund</u>
	<u>2024</u>
ASSETS	
Restricted Cash and Investments	\$ 2,835,890
Accounts Receivable	<u>3,772</u>
Total Assets	<u>2,839,662</u>
LIABILITIES	
Accounts Payable	5,333
Due to General Fund	<u>15,932</u>
	<u>21,265</u>
NET POSITION	
Restricted for Retirement Benefits	<u>\$ 2,818,397</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Change in Fiduciary Net Position - Pension Trust Fund
December 31, 2024

	<u>Pension Trust Fund</u>
	<u>2024</u>
ADDITIONS:	
Contributions:	
State Matching Contribution	\$ 41,357
District Contributions	224,154
Investment Earnings	<u>181,613</u>
Total Additions	<u>447,124</u>
DEDUCTIONS:	
Pension Benefit Payments	211,954
Funeral Benefits	800
Accounting	2,280
Actuarial Fees	4,500
Investment Fees	<u>22,972</u>
Total Deductions	<u>242,506</u>
Change in Fiduciary Net Position	<u>204,618</u>
Net Position, Beginning as Previously Stated	2,422,045
Change to Beginning Restricted Cash and Investments	<u>191,734</u>
Net Position, Beginning (as Restated)	<u>2,613,779</u>
Net Position, Ending	<u>\$ 2,818,397</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Chaffee County Fire Protection District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

REPORTING ENTITY

Chaffee County Fire Protection District is a quasi-municipal corporation governed by an elected five-member board of directors. The District is governed pursuant to provisions of the Colorado Special District Act. The District was established in 1975 to provide fire protection services to Chaffee County, excluding the Towns of Buena Vista and Salida, and a portion of Chaffee County served by another district. As required by generally accepted accounting principles, these financial statements present the Chaffee County Fire Protection District (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements, nor is the District a component unit of another entity.

BASIC FINANCIAL STATEMENTS

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements report information about the reporting government as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIC FINANCIAL STATEMENTS (Continued)

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements. The District's operations consist of a General Fund (governmental) and a Pension Trust Fund.

The District's fiduciary fund, the Pension Trust Fund, is presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

The District reports the following major governmental fund:

General Fund

This fund accounts for the financial resources of the District which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental revenue and interest. Primary expenditures are for fire protection and general administration.

The District also reports the following fiduciary fund:

Pension Trust Fund

The District has established the Chaffee County Fire Protection District Pension Fund (Volunteer Firefighters) to provide pension and other benefits to the volunteer firefighters and their dependents (Note 4).

Budgets

The District adopts an annual budget for all funds which are all prepared on the modified accrual basis of accounting. The District may authorize supplemental appropriations during the budget year. All budgetary appropriations lapse at year-end.

Colorado statutes provide the following timetable which is followed in the adoption of budgets:

- 1) Submission of the proposed budget to the local governing body by October 15 of each year.
- 2) Adoption of the budget and certification of mill levies to the Board of County Commissioners by December 15.
- 3) Filing the adopted budget with DOLA by January 31st of each year.
- 4) Property taxes are due by April 30 of each year if paid in full, or in two installments due February 28 and June 15 of each year.
- 5) Liens are placed on property for which taxes are delinquent in November of each year.

For the current year, the State allowed for the adoption of the 2024 budget and mill levy certification subsequent to year end. The District adopted its budget and 2024 mill levy on January 3, 2024.

Encumbrances

The District does not utilize encumbrance accounting.

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CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION/FUND BALANCE**

Cash and Cash Equivalents

The District's cash and cash equivalents include cash in bank, certificates of deposit with a maturity date of three months or less and liquid investments as part of its cash and cash equivalents.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The District has not recorded an allowance against outstanding receivables.

Governmental funds report deferred inflows of resources, as further described below in connection with receivables for revenues that are not considered to be available to liquidate liabilities for the current period. The District considers amounts received within 60 days of year end to be available for reporting purposes.

Capital Assets

Capital assets, which include land, machinery and equipment (furniture, vehicles, computers, etc.), are reported in the Governmental Activities column of the Government-Wide Financial Statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	10-40 years
Equipment	5-25 years
Vehicles and Accessories	10-30 years

Deferred Outflows and Inflows of Financial Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The government has pension related items, which arises only under the full accrual basis of accounting that

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION/FUND BALANCE (Continued)**

Deferred Outflows and Inflows of Financial Resources (Continued)

qualifies for reporting in this category. Accordingly, the items, contributions subsequent to measurement date and the difference between projected and actual investment returns, the difference between projected and actual pension experience, changes in plan assumptions and changes in the District's proportionate share of the underlying pension asset or liability, are reported in the governmental activities statement of net position. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become due.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element 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. The government has two types of items, property taxes, which arises both under the full accrual and modified accrual basis of accounting, and pension related items that only are reported under full accrual, that qualify for reporting in this category. The property tax item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. The pension items are the difference between projected and actual pension experience, pension earnings, changes in assumptions and changes in the District's proportionate share of the underlying pension asset or liability. The pension differences and changes are amortized based on the requirements of GASB Statement 68.

Accrued Leave

It is the District's policy to grant employees vacation and sick leave based upon years of service. An employee can carry over a defined amount of vacation leave annually. At termination an employee is paid for all accrued but unused vacation leave at their applicable rate of pay. An employee may not accumulate sick leave from year to year and all unused sick leave is forfeited if employment is terminated for any reason.

Long-Term Obligations

Long-term debt is reported at face value, net of applicable discounts and deferred gains or charges on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION/FUND BALANCE (Continued)**

Long-Term Obligations (Continued)

net position. The District’s long-term obligations consist of accrued compensation and pension related liabilities.

Net Position/Fund Balance

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

Nonspendable - For the governmental fund presentation, fund balance classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The District currently does not have this category of fund balance.

Restricted – Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The District’s restricted fund balance represents the funds set aside to satisfy the TABOR emergency reserve requirement discussed in Note 6.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the government's highest level of decision-making authority, the Board of Directors, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. See Note 6.

Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The District currently has assigned fund balances for specific uses.

Unassigned - Amounts that do not meet any of the above criteria are reported as “unassigned” fund balance.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION/FUND BALANCE (Continued)**

Net Position/Fund Balance (Continued)

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Recently Adopted Accounting Pronouncements

For 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

For 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this standard did not require an adjustment to the District's beginning net position due to immateriality. However, it changed the calculation of the balance in the current year and future years.

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CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. CASH AND INVESTMENTS

The District’s cash and investment balances are comprised of the following:

Demand Deposits	\$ 187,601
Certificate of Deposit	41,768
Total Bank Deposits	<u>229,369</u>
Investment Pool (Cash Equivalent)	1,163,990
Cash on Hand	15
Restricted Pension Investments	
Cash and Cash Alternatives	446,475
Negotiable Certificates of Deposit	149,555
Mutual Funds and Equities	2,239,860
Total Restricted Investments	<u>2,835,890</u>
Total Cash and Investments	<u><u>\$ 4,229,264</u></u>

The cash and investments presented in the financial statements are as follows:

Cash and Equivalents	\$ 1,351,606
Certificate of Deposit	41,768
Restricted Pension Cash and Investments	2,835,890
Total Cash and Investments	<u><u>\$ 4,229,264</u></u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The District’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed 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. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. At December 31, 2024, the carrying amount of the District’s deposits was \$229,369 and the bank balance was \$513,288. Of the bank balance \$375,159 was covered by federal depository insurance \$138,129 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. CASH AND INVESTMENTS (Continued)

Deposits (Continued)

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and at December 31, 2024, all of the District’s deposits were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

INVESTMENTS

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2024 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Fixed Income	\$ -	\$ 1,149,435	\$ -	\$ 1,149,435
Equities	-	966,214	-	966,214
Cash Alternatives	446,475	-	-	446,475
US Treasuries	-	66,554	-	66,554
Common Stock	57,657	-	-	57,657
Negotiable Certificates of Deposit	-	149,555	-	149,555
Total Investments	<u>\$ 504,132</u>	<u>\$ 2,331,758</u>	<u>\$ -</u>	<u>\$ 2,835,890</u>

The District’s local government pool investment, further described below, is not subject to categorization or the fair value disclosures.

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Noninsured trust pension plans with a bank or trust company authorized to exercise trust powers in this state as a trustee.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Credit Risk (Continued)

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 31-30-1113 as described above, and as otherwise indicated in the statute. The Pension Trust Fund has its own investment policy that does not fall under these provisions.

The District has invested \$1,163,990 in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The investment is valued at net asset value. Investments of the Trusts consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities.

A designated custodial bank provides safekeeping and depository services to the Trusts in connection with the direct investment and withdrawal functions of the Trusts. Substantially all securities owned by the Trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the Trusts. Colotrust is rated AAAM by Standard and Poor's.

Concentration of Credit Risk

As of December 31, 2024 the District had concentration of credit risk as shown in the pension table below.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2024, the District's pension investments were held by UBS Financial Services, Inc.

PENSION INVESTMENTS

Responsibility of the organization and administration of the Plan as well as investment of the Plan's funds is placed with the Board of Trustees of the Plan. Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- **Mutual Funds and Treasury Investments:** Valued at quoted market prices of similar assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2024, there were no changes in the methods or assumptions utilized to derive the fair value of the District's assets and liabilities.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. CASH AND INVESTMENTS (Continued)

PENSION INVESTMENTS (Continued)

At December 31, 2024, the District's pension investments consisted of the following:

Investment Type - Pension Fund	Fair Value	Investment Maturities in Years	
		Less than 1	15 - 20
Reported as Cash and Cash Equivalents			
Money Market Funds	\$ 446,475	\$ 446,475	\$ -
	<u>\$ 446,475</u>	<u>\$ 446,475</u>	<u>\$ -</u>
Reported as Investments			
U.S. Treasuries	\$ 66,554	\$ -	\$ 66,554
Mutual Funds	2,173,306	2,173,306	-
Negotiable Certificates of Deposit	149,555	149,555	-
Total Pension Investments	<u>\$ 2,389,415</u>	<u>\$ 2,322,861</u>	<u>\$ 66,554</u>

The following is an allocation of the pension investment balances by individual investment:

Allocation of Balances	Fair Value	% of Total
U.S. Treasury Bonds	\$ 66,554	2.35%
Mutual Funds		
Columbia Acorn Thermostat	170,877	6.03%
Nrthrn Lights Dynamic US Opp	138,258	4.88%
Campbell Systematic	128,485	4.53%
Prudential PGIM Total Return Bond	125,972	4.44%
Morgan Stanley Ultra	125,705	4.43%
Catalyst/Warrington Hedge	123,631	4.36%
Guggenheim Total Return	115,785	4.08%
All Other Mutual Funds	1,186,936	41.85%
Equities	57,657	2.03%
Negotiable Certificates of Deposit	149,555	5.27%
Cash and Cash Equivalents	446,475	15.74%
Total Pension Investments	<u>\$ 2,835,890</u>	<u>100.00%</u>

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CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

3. CAPITAL ASSETS

Capital Asset Activity for the year ended December 31, 2024 was as follows:

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24
Capital assets not being depreciated				
Land	\$ 183,016	\$ -	\$ -	\$ 183,016
Construction in Progress	<u>1,002,328</u>	<u>99,592</u>	<u>(1,101,920)</u>	<u>-</u>
Total capital assets not being depreciated	<u>1,185,344</u>	<u>99,592</u>	<u>(1,101,920)</u>	<u>183,016</u>
Capital assets being depreciated				
Building and improvements	966,827	1,101,920	-	2,068,747
Equipment	806,366	45,048	-	851,414
Vehicles and accessories	<u>3,519,014</u>	<u>259,837</u>	<u>-</u>	<u>3,778,851</u>
Total capital assets being depreciated	<u>5,292,207</u>	<u>1,406,805</u>	<u>-</u>	<u>6,699,012</u>
Total capital assets	<u>6,477,551</u>	<u>1,506,397</u>	<u>(1,101,920)</u>	<u>6,882,028</u>
Accumulated depreciation				
Buildings and improvements	(407,279)	(82,530)	-	(489,809)
Equipment	(608,298)	(30,728)	-	(639,026)
Vehicles and accessories	<u>(2,680,257)</u>	<u>(129,385)</u>	<u>-</u>	<u>(2,809,642)</u>
Total accumulated depreciation	<u>(3,695,834)</u>	<u>(242,643)</u>	<u>-</u>	<u>(3,938,477)</u>
Net capital assets being depreciated	<u>1,596,373</u>	<u>1,164,162</u>	<u>-</u>	<u>2,760,535</u>
Net capital assets	<u>\$ 2,781,717</u>	<u>\$ 1,263,754</u>	<u>\$ (1,101,920)</u>	<u>\$ 2,943,551</u>

4. LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following is a summary of changes in long term obligations of the District for December 31, 2024:

	Balance 12/31/23	Net Change	Balance 12/31/24	Due Within One Year
Accrued Compensated Absences	\$ 27,362	\$ (6,824)	\$ 20,538	\$ 20,538
Pension Liability (Asset)	<u>(99,976)</u>	<u>199,132</u>	<u>99,156</u>	<u>-</u>
	<u>\$ (72,614)</u>	<u>\$ 192,308</u>	<u>\$ 119,694</u>	<u>\$ 20,538</u>

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CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS

VOLUNTEER FIREFIGHTER'S PENSION FUND

Plan Description

The District is trustee for a single-employer defined benefit pension plan ("Chaffee County Fire Protection District") for all volunteer firefighters. The plan is included as pension trust fund in the District's financial statements. The plan is administered by a Board of Trustees composed of the five members of the District's Board of Directors and two District volunteer, retired volunteer or active retiree firefighters selected in accordance with Colorado State Statutes. The plan provides normal retirement benefits as well disability and survivor benefits. In 2024, the regular benefit was \$490 per month or a prorated benefit after 10 year of qualified service, the greater of one half the benefits for normal retirement of \$245 per month for temporary disability, \$450 per month for full disability and a 50% death benefit. Any eligible firefighter may begin receiving a monthly pension upon attaining age 50. The plan does not issue stand-alone financial statements.

Funding Policy

The Volunteer Firefighter's Pension Plan receives contributions from the District in an amount not to exceed one mill of property tax revenue. The District is currently contributing on the basis of .5 mills on the assessed valuation. Because the District's monthly benefit exceeds \$300, the State of Colorado contributes the greater of (a) the contribution amount that would have been actuarially required if the monthly pension benefit was \$300 in the immediately preceding year, or (b) the highest State contribution the District received in 1998 through 2001. The State's contribution may not exceed the amount of revenue that would be generated from a .5 mill tax on the District's net assessed valuation in the immediately preceding year. The District received \$41,357 from the State for its contribution match of the District's \$224,154 contribution.

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

At December 31, 2024, the District reported net pension assets of \$2,818,397 and a total pension liability of \$2,917,553, for a net pension liability of \$99,156. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

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CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER’S PENSION FUND (Continued)

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

For the year ended December 31, 2024, the District recognized pension expense of \$536,234, which included a reduction in pension expense of \$38,346 related to a restatement of net pension liability (asset) and deferred outflows of resources as of December, 31, 2023. 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	\$ 131,617	\$ -
Total	<u>\$ 131,617</u>	<u>\$ -</u>

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

Year ended	
2025	\$ 78,633
2026	75,917
2027	(16,800)
2028	<u>(6,133)</u>
Total	<u>\$ 131,617</u>

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CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER’S PENSION FUND (Continued)

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

Actuarial assumptions. - The actuarially determined contribution was determined as part of the January 1, 2025 actuarial valuation using the entry age actuarial cost method with a level amount open amortization period with 20-year remaining amortization. Actuarial assumptions included the following:

Actuarial Method	Entry Age Normal
Long-term investment rate of return, net of pension plan investment expenses, including inflation	5.75%
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	Market Value
Salary increase, including wage inflation	N/A
Cost of Living Adjustments (COLA)	0.00%
Retirement Age	Earlier of 50 and 20 years of service. 50% probability for ages 50-64, 100% probability at age 65
Mortality	For active members, Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier. For annuitants, Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted projected with the ultimate values of the MP-2020 projection scale.

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 and by adding expected inflation.

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CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER’S PENSION FUND (Continued)

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

Best estimates of rates of return for each major asset class included in the pension plan's target asset allocation as of the valuation date are summarized in the following table (note that the rates shown below include the inflation component):

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Percentage of Portfolio</u>
Domestic Equity	6.69%	34.06%
International Equity	7.92%	5.80%
Fixed Income	6.85%	43.72%
Cash	0.25%	16.21%
Other	<u>0.00%</u>	<u>0.21%</u>
Total	<u>5.75%</u>	<u>100.00%</u>

Discount Rate - 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 (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 5.75%; the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”); and the resulting Single Discount Rate is 5.75%.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 5.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (4.75%)	Rate Assumption (5.75%)	1 % Increase (6.75%)
Proportionate share of the net pension liability (asset)	\$ 410,432	\$ 99,156	\$ (161,619)

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER'S PENSION FUND (Continued)

Plan Membership

As of the January 1, 2025 actuarial study, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving	50
Inactive plan members entitled to but not yet receiving	4
Active plan members	<u>38</u>
Total	<u>92</u>

Schedule of Changes in the Volunteer Net Pension Liability

The following is a schedule of the changes in both the total pension liability and the net pension liability for the year ended December 31, 2024:

Schedule of Changes in District's Net Pension Liability and Related Ratios	
<u>Total Pension Liability</u>	
Service cost	\$ 15,930
Interest	136,791
Differences between expected and actual experience	190,777
Changes of assumptions	308,875
Benefit payments	<u>(208,953)</u>
Net changes in total pension liability	443,420
Total Pension Liability - beginning	<u>2,474,133</u>
Total Pension Liability - ending (a)	<u>\$ 2,917,553</u>
 <u>Plan Fiduciary Net Position</u>	
Contributions - employer	\$ 224,154
Net investment income	181,613
Benefit payments, including refunds of employee contributions	(208,953)
Administrative expense	(33,553)
State of Colorado Supplemental Discretionary Payment	<u>41,357</u>
Net change in plan fiduciary net position	204,618
Plan fiduciary net position - beginning (restated)	<u>2,613,779</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,818,397</u>
 District's net pension liability (a) - (b)	 <u>\$ 99,156</u>
 Plan fiduciary net position as a percentage of the total pension liability	 96.60%

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER'S PENSION FUND (Continued)

Schedule of Changes in the Volunteer Net Pension Liability (Continued)

Changes in Actuarial Assumptions - Mortality tables, withdrawal rates, and disability rates have all been updated since the prior valuation. The assumptions are similar to the assumption set used to value volunteer fire districts in Colorado that are associated with Fire and Police Pension Association of Colorado. Additionally, administrative expenses are now assumed to be equal to an average of the actual expenses for the two prior years. There were no benefit changes during the fiscal year, and no changes to actuarial assumptions from the January 1, 2025 valuation.

STATEWIDE RETIREMENT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions - The District participates in the Statewide Retirement Plan ("SRP"), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SRP have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component, and Money Purchase Component. The Plan currently has 230 participating employee fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

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

Benefits provided. 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 twenty-five years of service may retire at any time after age of 55 and shall be eligible for a normal retirement pension. Members with 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 an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' 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.

Beginning January 1, 2007, the annual normal retirement benefit for members of the Social Security Component is 1.0 percent of the member's highest three years base salary for each year of credited service up to ten years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

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. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 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, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution.

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 by both the employers and members.

Members of the Defined Benefit Component contribute 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 2023, the total combined member and employer contribution rate of 21.5 percent.

Contributions from Defined Benefit Component members and employers of departments re-entering 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. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

Members of the Social Security Component contribute 6.0 percent of base salary. Per 2020 legislation, employer contributions will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 10.75 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2023, the total minimum combined member and employer contribution rate was 16.25 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 is 14.24 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2023 was 13.90 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from employer are made on a pre-tax basis.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were \$54,071 for the plan year ended December 31, 2023 and \$61,394 for the fiscal year ended December 31, 2024. The current year contributions will be expenses in 2025 for FPPA purposes and are a timing difference at year end. The District had 10 contributing members to the plan during 2024.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

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

At December 31, 2024, the District reported liability of zero for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension asset 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 contributions to the Plan for the calendar year 2023 relative to the total contributions of participating employers to the Plan.

At December 31, 2023, the District's proportion was 0.05793 percent, which was an increase of 0.01324 percent from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the District recognized pension expense of \$32,130. The Statewide Retirement Plan's beginning deferral amounts as of the measurement date is a restated amount from the combination of the outstanding deferral amounts as of the measurement date from the prior year of the Statewide Defined Benefit Plan and the Statewide Hybrid Plan. This restatement resulted in a decrease of the District's pension expense by \$6,273. 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
Difference between expected and actual experience	\$ 110,332	\$ 5,301
Net difference between projected and actual earnings on pension plan investments	79,208	-
Changes in assumptions	63,997	-
Changes in proportionate share	3,999	67,436
Contributions subsequent to the measurement date	61,394	-
Total	<u>\$ 318,930</u>	<u>\$ 72,737</u>

\$61,394 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:

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

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

Year ended		
2025	\$	32,473
2026		52,914
2027		79,759
2028		3,316
2029		8,337
Thereafter		8,000
Total	\$	<u>184,799</u>

Actuarial assumptions. The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumption 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, C
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.00%	0.00%
* Includes Inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables 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 scales. 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.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 purchase 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	35.00%	8.33%
Equity Long/Short	6.00%	7.27%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.35%
Fixed Income – Credit	5.00%	5.89%
Absolute Return	9.00%	6.39%
Cash	<u>1.00%</u>	4.32%
Total	<u>100.00%</u>	

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

5. PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

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

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.

Average Remaining Expected Service Life. The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 8.4106 years determined as of the beginning of the December 31, 2023 measurement period.

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

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

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00%, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower and one percent higher:

	1% Decrease (6.00%)	Rate Assumption (7.00%)	1 % Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$ 324,859	\$ -	\$ -

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

5. PENSION PLANS (Continued)

STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

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

Pension plan fiduciary net position. Detailed information about the SRP's fiduciary net position is available in FPPA's annual comprehensive financial report which can be obtained at <http://www.fppaco.org>.

6. FUND BALANCE RESERVATIONS/APPROPRIATIONS

Emergency Reserve

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The District's financial activity for the year ended December 31, 2024 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2024, revenue in excess of the District's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

In November 1994, the District's electorate approved a ballot issue to permit the District to retain and spend all revenues in each fiscal year beginning 1995 without regards to the limitations of TABOR.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The District has made the following fund balance reservation as a result of Article X, Section 20 (TABOR) of the Colorado Constitution:

Emergency Reserve

TABOR requires an emergency reserve be set aside for 2024 in the amount of 3% or more of its fiscal year spending. At December 31, 2024, the District has reserved \$87,000 in the General Fund for emergencies.

The District believes it is in compliance with the provisions of the TABOR Amendment.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

6. FUND BALANCE RESERVATIONS/APPROPRIATIONS (Continued)

Commitments

The Board has established a commitment for a twenty-five percent operating reserve based on current year expenditures. This amount for 2024 was \$822,694 and is shown as such in the General Fund.

Assignments

The Board has designated \$500,000 for apparatus replacement through the adoption of the 2025 budget. As the District does not have adequate funds to establish the full assignment, the District has reflected a \$257,035 Assigned for Equipment Replacement in the General Fund.

The Board has also designated \$200,000 for Station Development through the adoption of the 2025 budget and this amount is shown as Assigned for Station Development in the General Fund.

7. CORRECTION OF AN ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During fiscal year 2023, Comerica, the custodian of the District’s pension fund, underwent a software conversion which caused errors in their statements as of December 31, 2023. As such, the cash account held with Comerica was not included in the previous year’s financial statements. Cash with Comerica at December 31, 2023 was \$191,734, therefore the pension fund cash was understated by this amount and unrealized/gain loss was also understated. The effect of correcting the error is shown in the table below.

Pension Trust Fund

	<u>December 31, 2023</u>		<u>December 31, 2023</u>
	<u>As Previously Stated</u>	<u>Error Correction</u>	<u>As Restated</u>
Net Position, End of the year	\$ <u>2,422,045</u>	\$ <u>191,734</u>	\$ <u>2,613,779</u>

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to firemen; and natural disasters. The District purchases commercial insurance and for all risks of loss. Settled claims have not exceeded this insurance coverage in any of the past four fiscal years.

9. SUBSEQUENT EVENT

Management evaluates subsequent events through the date the financial statements are available to be issued, which is the date of the Independent Auditors’ Report.

As of December 31, 2024, the District was in litigation in relation to the construction of a building completed by LM Kersting Construction Company (LMK). There were unpaid invoices and retainage of \$93,999 on December 31, 2024. In 2025, the settlement of this litigation was reached, wherein the

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

9. SUBSEQUENT EVENT (Continued)

District agreed to pay LMK \$72,500 on condition that it would receive a combined total of \$30,000 from Ohio Security Insurance and Nationwide Mutual Insurance on behalf of LMK. As of May 28, 2025, the settlement conditions had been satisfied. Therefore, the net amount of the settlement, \$42,500, is included in the District's accounts payable on December 31, 2024.

Required Supplementary Information

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FPPA Pension Plan

	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
District's proportion of the net pension liability (asset)	0.0579340%	0.0446928%	0.0437693%	0.0389173%	0.0341080%	0.0359349%	0.0364125%	0.0380093%	0.0388636%	0.0435038%
District's proportionate share of the net pension liability (asset)	\$ -	\$ 39,670	\$ 237,201	\$ 84,490	\$ 19,290	\$ (45,432)	\$ 52,385	\$ (13,734)	\$ 685	\$ 49,097
District's covered payroll	\$ 569,168	\$ 388,833	\$ 352,353	\$ 312,588	\$ 251,388	\$ 240,713	\$ 212,988	\$ 194,525	\$ 188,400	\$ 195,638
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	10.20%	67.32%	27.03%	7.67%	-18.87%	24.60%	-7.06%	0.36%	25.10%
Plan fiduciary net position as a percentage of the total pension liability	100.000%	97.63%	116.16%	101.90%	101.90%	95.23%	106.34%	98.21%	100.10%	106.83%

NOTE: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
FPPA Pension Plan

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Contractually required contribution	\$ 54,071	\$ 34,995	\$ 29,950	\$ 25,007	\$ 20,111	\$ 19,257	\$ 17,039	\$ 15,562	\$ 15,072	\$ 15,651
Contributions in relation to the contractually required contribution	<u>54,071</u>	<u>34,995</u>	<u>29,950</u>	<u>25,007</u>	<u>20,111</u>	<u>19,257</u>	<u>17,039</u>	<u>15,562</u>	<u>15,072</u>	<u>15,651</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 569,168	\$ 388,833	\$ 352,353	\$ 312,588	\$ 251,388	\$ 240,713	\$ 212,988	\$ 194,525	\$ 188,400	\$ 195,638
Contributions as a percentage of covered payroll	9.50%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

NOTE: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO SCHEDULES
FPPA Pension Plan

Valuation Date: January 1, 2023

Methods and Assumptions Used to determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value
Cost of Living Adjustments (COLA)	0%
Projected Salary Increases	4.25% - 11.25%, including 2.5% inflation
Investment Rate of Return	7.0%
Mortality	For active members, Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount -weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier. For annuitants, Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projections scale.

Changes in Assumptions: Every five years FPPA reviews its economic and demographic actuarial assumptions. Assumptions were last updated January 1, 2023.

Changes in Benefits: There were no changes in assumptions reflected in the January 1, 2023 valuation.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY

Volunteer Pension Plan
Last 10 Fiscal Years

	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability										
Service cost	\$ 15,930	\$ 15,930	\$ 38,376	\$ 38,376	\$ 45,868	\$ 45,868	\$ 45,868	\$ 91,139	\$ 91,139	\$ 91,139
Interest	136,791	139,986	144,244	144,107	150,405	149,046	163,853	28,167	119,115	167,225
Changes of benefit terms	308,875	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	190,777	-	(65,894)	-	(129,875)	-	(147,401)	48,345	(33,526)	(102,394)
Changes of assumptions	-	-	20,078	-	-	-	(149,531)	-	-	-
Benefit payments	(208,953)	(213,954)	(186,022)	(174,335)	(170,171)	(172,356)	(168,330)	(166,348)	(164,282)	(153,692)
Net changes in total pension liability	443,420	(58,038)	(49,218)	8,148	(103,773)	22,558	(255,541)	1,303	12,446	2,278
Total Pension Liability - beginning	2,474,133	2,532,171	2,581,389	2,573,241	2,677,014	2,654,456	2,909,997	2,908,694	2,896,248	2,893,970
Total Pension Liability - ending (a)	<u>\$ 2,917,553</u>	<u>\$ 2,474,133</u>	<u>\$ 2,532,171</u>	<u>\$ 2,581,389</u>	<u>\$ 2,573,241</u>	<u>\$ 2,677,014</u>	<u>\$ 2,654,456</u>	<u>\$ 2,909,997</u>	<u>\$ 2,908,694</u>	<u>\$ 2,896,248</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 224,154	\$ 155,903	\$ 153,928	\$ 129,183	\$ 123,272	\$ 108,897	\$ 108,040	\$ 103,250	\$ 101,341	\$ 93,799
Contributions - state (discretionary)	41,357	41,357	41,357	41,357	41,357	41,357	41,357	41,357	41,357	41,357
Net investment income	181,613	193,324	(305,353)	137,114	117,284	269,578	(89,405)	149,415	58,466	(10,356)
Benefit payments	(208,953)	(213,954)	(186,022)	(174,335)	(170,171)	(172,356)	(168,330)	(166,348)	(164,282)	(153,692)
Administrative expenses	(33,553)	(11,345)	(5,490)	(11,580)	(6,275)	(10,900)	(1,083)	(1,304)	(12,446)	(2,385)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	204,618	165,285	(301,580)	121,739	105,467	236,576	(109,421)	126,370	24,436	(31,277)
Plan fiduciary net position - beginning	2,613,779	2,448,494	2,750,074	2,628,335	2,522,868	2,286,292	2,395,713	2,269,343	2,244,907	2,276,184
Plan fiduciary net position - ending (b)	<u>\$ 2,818,397</u>	<u>\$ 2,613,779</u>	<u>\$ 2,448,494</u>	<u>\$ 2,750,074</u>	<u>\$ 2,628,335</u>	<u>\$ 2,522,868</u>	<u>\$ 2,286,292</u>	<u>\$ 2,395,713</u>	<u>\$ 2,269,343</u>	<u>\$ 2,244,907</u>
District's net pension liability (asset) - ending (a)-(b)	<u>\$ 99,156</u>	<u>\$ (139,646)</u>	<u>\$ 83,677</u>	<u>\$ (168,685)</u>	<u>\$ (55,094)</u>	<u>\$ 154,146</u>	<u>\$ 368,164</u>	<u>\$ 514,284</u>	<u>\$ 639,351</u>	<u>\$ 651,341</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.60%	105.64%	96.70%	106.53%	102.14%	94.24%	86.13%	82.33%	78.02%	77.51%

Note: There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S NET PENSION LIABILITY AND RATIOS

Volunteer Pension Plan

Last 10 Fiscal Years

<u>Fiscal Year Ended</u>	<u>Total Pension Liability</u>	<u>Plan's Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>	<u>Plan's Fiduciary Net Position as Percent of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a Percent of Covered Payroll</u>
12/31/2015	\$ 2,896,248	\$ 2,244,906	\$ 651,342	77.51%	N/A	N/A
12/31/2016	\$ 2,908,694	\$ 2,269,343	\$ 639,351	78.02%	N/A	N/A
12/31/2017	\$ 2,909,997	\$ 2,395,714	\$ 514,283	82.33%	N/A	N/A
12/31/2018	\$ 2,654,456	\$ 2,286,292	\$ 368,164	86.13%	N/A	N/A
12/31/2019	\$ 2,677,014	\$ 2,522,868	\$ 154,146	94.24%	N/A	N/A
12/31/2020	\$ 2,573,241	\$ 2,628,335	\$ (55,094)	102.14%	N/A	N/A
12/31/2021	\$ 2,581,389	\$ 2,750,074	\$ (168,685)	106.53%	N/A	N/A
12/31/2022	\$ 2,532,171	\$ 2,448,494	\$ 83,677	96.70%	N/A	N/A
12/31/2023	\$ 2,474,133	\$ 2,613,779	\$ (139,646)	105.64%	N/A	N/A
12/31/2024	\$ 2,917,553	\$ 2,818,397	\$ 99,156	96.60%	N/A	N/A

Note: There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS
 Volunteer Pension Plan
 Last 10 Fiscal Years

Fiscal Year Ended	Actuarially determined contributions	Actual contributions *	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of Covered Payroll
12/31/2015	\$ 141,242	\$ 135,156	\$ 6,086	N/A	N/A
12/31/2016	\$ 149,569	\$ 142,698	\$ 6,871	N/A	N/A
12/31/2017	\$ 149,569	\$ 144,617	\$ 4,952	N/A	N/A
12/31/2018	\$ 149,569	\$ 149,397	\$ 172	N/A	N/A
12/31/2019	\$ 81,395	\$ 150,254	\$ (68,859)	N/A	N/A
12/31/2020	\$ 81,395	\$ 164,629	\$ (83,234)	N/A	N/A
12/31/2021	\$ 42,387	\$ 170,540	\$ (128,153)	N/A	N/A
12/31/2022	\$ 42,387	\$ 195,285	\$ (152,898)	N/A	N/A
12/31/2023	\$ 31,416	\$ 197,260	\$ (165,844)	N/A	N/A
12/31/2024	\$ 31,416	\$ 265,511	\$ (234,095)	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Note: See Note 4 of the Basic Financial Statements for significant methods and assumptions used in calculating the actuarially determined calculations. There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

NOTES TO SCHEDULE OF CONTRIBUTIONS

Volunteer Pension Plan

Valuation Date: January 1, 2023
Notes Actuarially determined contribution rates are calculated as of January 1 of odd numbered years and used for two fiscal years.

Methods and Assumptions Used to determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	Market Value
Inflation	Implicit
Salary Increases	N/A
Investment Rate of Return	5.75%
Retirement Age	Earlier of age 50 and 20 years of service. 50% probability for ages 50-64, 100% probability at age 65
Mortality	For active members, Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount -weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier. For annuitants, Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projections scale.

Other Information:

Notes The benefit level increased from \$440 to \$490 in 2024.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance w/ Final Budget</u>
REVENUES				
Taxes				
Property Taxes	\$ 1,866,307	\$ 2,065,962	\$ 2,012,547	\$ (53,415)
Specific Ownership Taxes	134,000	164,000	167,446	3,446
Delinquent Taxes, Penalties and Interest	-	-	4,621	4,621
Total Taxes	<u>2,000,307</u>	<u>2,229,962</u>	<u>2,184,614</u>	<u>(45,348)</u>
Intergovernmental				
Grants	80,000	80,000	129,932	49,932
State Matching Contribution	41,357	41,357	41,357	-
Intergovernmental Agreement Revenue	505,885	505,885	505,885	-
Impact Assistance	140	140	112,081	111,941
Total Intergovernmental	<u>627,382</u>	<u>627,382</u>	<u>789,255</u>	<u>161,873</u>
Charges for Services				
Rents	8,500	8,500	72,873	64,373
Special Services	<u>37,160</u>	<u>36,968</u>	<u>154,928</u>	<u>117,960</u>
Total Charges for Services	<u>45,660</u>	<u>45,468</u>	<u>227,801</u>	<u>182,333</u>
Investment Earnings	<u>25,000</u>	<u>25,000</u>	<u>63,743</u>	<u>38,743</u>
Other Revenues				
Donations	-	-	3,296	3,296
Insurance Claims	-	-	4,281	4,281
Sale of Capital Assets	-	-	1,343	1,343
Refunds and Reimbursements	1,200	1,200	14,048	12,848
Miscellaneous Income	-	-	2,396	2,396
Total Other Revenues	<u>1,200</u>	<u>1,200</u>	<u>25,364</u>	<u>24,164</u>
Total Revenues	<u>2,699,549</u>	<u>2,929,012</u>	<u>3,290,777</u>	<u>361,765</u>
EXPENDITURES				
Public Safety (Operations)				
Administration	209,650	240,750	321,745	(80,995)
Personnel Expenses	1,214,995	1,206,500	1,091,690	114,810
Professional Services	45,050	211,000	210,090	910
Utilities	65,690	57,700	59,643	(1,943)
Travel and Training	67,255	59,700	58,140	1,560
Maintenance and Repair	225,150	231,600	304,946	(73,346)
Firefighting and Equipment	160,386	76,400	29,179	47,221
Strike Team	1,000	142,500	142,382	118
Total Public Safety (Operations)	<u>1,989,176</u>	<u>2,226,150</u>	<u>2,217,815</u>	<u>8,335</u>
Pension Expenses	<u>273,511</u>	<u>266,000</u>	<u>265,511</u>	<u>489</u>
Capital Outlay	<u>436,862</u>	<u>436,862</u>	<u>404,477</u>	<u>32,385</u>
Total Expenditures	<u>\$ 2,699,549</u>	<u>\$ 2,929,012</u>	<u>\$ 2,887,803</u>	<u>\$ 41,209</u>
Change in Fund Balance			402,974	
Fund Balance, Beginning			963,755	
Fund Balance, Ending			<u>\$ 1,366,729</u>	

Other Supplementary Information

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
Budget and Actual - Pension Trust Fund
Year Ended December 31, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance w/ Final Budget</u>
ADDITIONS:			
Contributions:			
State Matching Contribution	\$ 41,357	\$ 41,357	\$ -
District Contributions	224,154	224,154	-
Investment Earnings	<u>180,000</u>	<u>181,613</u>	<u>1,613</u>
Total Additions	<u>445,511</u>	<u>447,124</u>	<u>1,613</u>
DEDUCTIONS:			
Pension Benefit Payments	225,000	211,954	13,046
Funeral Benefits	3,000	800	2,200
Accounting	2,300	2,280	20
Actuarial Fees	7,200	4,500	2,700
Investment Fees	<u>23,000</u>	<u>22,972</u>	<u>28</u>
Total Deductions	<u>\$ 260,500</u>	<u>242,506</u>	<u>\$ 17,994</u>
Change in Fund Balance		204,618	
Fund Balance, Beginning		<u>2,613,779</u>	
Fund Balance, Ending		<u><u>\$ 2,818,397</u></u>	

See the accompanying Independent Auditor's Report.