

**EVANS FIRE PROTECTION DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2024**

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## **FINANCIAL SECTION**



## JOHN CUTLER & ASSOCIATES

Board of Directors  
Evans Fire Protection District  
Evans, Colorado

### INDEPENDENT AUDITORS' REPORT

#### Report on the Financial Statements

##### *Opinions*

We have audited the financial statements of the governmental activities and each major fund, of the Evans 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Evans Fire Protection District as of December 31, 2024, and the respective changes in financial position, thereof 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Evans Fire Protection District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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 on pages i-vi and the required budgetary and pension information on pages 28-32 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 (GASB) 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.

*John Cutler & Associates, LLC*

July 29, 2025



# MANAGEMENT'S DISCUSSION AND ANALYSIS

To serve the citizens of the Evans Fire Protection District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024. Please read the information presented here in conjunction with the District's financial statements.

## FINANCIAL HIGHLIGHTS

- At the end of 2024, the District's assets exceeded its liabilities by \$11.4 million (net position). Of this amount \$2.76 million is investment in capital assets (buildings, machinery, vehicles). An additional \$174,200 is restricted per TABOR requirements.
- The District budget allowed for \$4.79 million in revenues. The General Revenues collected totaled \$5.82 million. The overage is due to a State backfill program following changes to calculations in property assessed values and interest earned on investment accounts.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### *Government-wide Financial Statements – Reporting the District as a Whole*

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The ***statement of net position*** presents information on all of the Districts' 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 ***statement of activities*** presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include administration, District Board support and elections, maintenance and new construction of facilities and apparatus, and debt service.

The government-wide financial statements include solely the operations of the District itself. There are no additional discrete or blended component units.

### **Fund Financial Statements – Reporting the District’s Most Significant Funds**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives, or as required by legal enabling legislation. The District, like other special districts, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are considered governmental funds.

**Governmental funds** - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on upcoming inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s upcoming financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the different statements.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on Pages 6-26 of this report.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. Required and other supplementary information can be found on Pages 27-31 of this report.

## ***GOVERNMENT-WIDE FINANCIAL ANALYSIS – Evans Fire Protection District as a Whole***

As noted earlier, net position may serve as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$11.3 million at the close of 2024.

The District’s net investment in capital assets (e.g., machinery and equipment) reflects a balance of \$2.76 million. Net position is reflected in the statements at historical cost less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District’s net position represents resources that are subjected to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position (\$8.46 million) may be used to meet the District’s ongoing obligations to citizens and creditors.

Table 1 provides a summary of the District’s net position for 2024 as compared to 2023.

<b>Table 1</b>		
<b>Evans Fire Protection District</b>		
<b>Net Position (\$000’s)</b>		
	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets:</b>		
Current and other assets	\$12,844	\$11,884
Capital assets	2,756	2,452
<b>Total assets</b>	<b>15,600</b>	<b>14,336</b>
<b>Deferred Outflows of Resources</b>	<b>1,225</b>	<b>1,250</b>
<b>Liabilities:</b>		
Current liabilities	179	116
Long-term liabilities	1,340	1,134
<b>Total liabilities</b>	<b>1,520</b>	<b>1,295</b>
<i>Liabilities now includes Volunteer Pension Liability per GASB 68 Standard</i>		
<b>Deferred Inflows of Resources</b>	<b>3,917</b>	<b>4,219</b>
<b>Net Position:</b>		
Net investment in capital assets	2,756	2,451
Restricted	174	134
Unrestricted	8,458	7,485
<b>Total net position</b>	<b>11,389</b>	<b>10,071</b>

Table 2 shows the condensed Statement of Activities for fiscal 2024 compared to fiscal year 2023.

**Table 2**  
**Evans Fire Protection District**  
**Condensed Statement of Activities (\$000's)**

		<b>Governmental Activities</b>	
		<b>2024</b>	<b>2023</b>
<b>Revenues:</b>			
Property taxes		4,562	3,571
Specific ownership taxes		147	152
Impact & Other Fees		458	116
Intergovernmental		291	209
Other		347	403
Total General Revenues		5,806	4,451
<b>Expenses:</b>			
General Government		4,488	4,182
Change in net position		1,318	269

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2024, the District's governmental funds reported ending fund balances of \$8.9 million. Approximately 97 percent of this total amount (\$8.6 million) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of fund balance (\$267 thousand), is reserved to indicate that it is not available for new spending because it has been restricted to: 1) provide an emergency reserve as required by the State Constitution (amendment to Article X, Section 20) and 2) committed and assigned fund balance which was accumulated due to revenues which were assigned to a specific function (for example, transfers for capital replacement).

The General Fund is the chief operating fund of the District. As of December 31, 2024, the unassigned fund balance of the general fund was \$8.6 million. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year, actual revenues were \$5.82 million, which was slightly higher than original budgetary amounts.

Actual expenditures and other financing uses totaled \$4.6 million. The fund balance as of December 31, 2024 is \$8.9 million. Of this amount, \$174 thousand is restricted for emergencies and \$8.6 million is unassigned and available for appropriations as the District Board sees fit.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets* - The District’s investment in capital assets for its governmental activities as of December 31, 2024 amounted to \$2.756 million (net of accumulated depreciation). This investment includes land, buildings, machinery, and equipment.

**Evans Fire Protection District Capital Assets  
(net of depreciation) (\$000's)**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Buildings & Improvements	2,242	1,863
Equipment	0	(18)
Vehicles	301	393
Land (not being depreciated)	213	213
<u>Total</u>	\$ 2,756	\$ 2,451

Additional information on the District’s capital assets can be found in the notes to the financial statements on Page 14 of this report.

*Debt* - As of December 31, 2024, the District had no outstanding debt.

**Evans Fire Protection District Outstanding Debt (\$000's)**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Compensated Absences	<u>\$ 567</u>	<u>\$ 157</u>

The increase in Compensated Absences is due to a change in how this amount is calculated. Additional information on the District’s long-term debt can be found in the notes to the financial statements on Page 14 of this report.

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Evans Fire Protection District Administrative Office, 2100 37<sup>th</sup> Street, Evans, Colorado 80620, (970) 339-3920 x202.

## **BASIC FINANCIAL STATEMENTS**

EVANS FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2024

	GOVERNMENTAL ACTIVITIES	
	2024	2023
<b>ASSETS</b>		
Cash and Investments	\$ 8,772,277	\$ 7,662,004
Receivables		
Accounts	205,635	76,661
Property Taxes	3,773,226	4,059,580
Prepaid Expenses	92,734	85,954
Capital Assets, Not Depreciated	213,236	213,236
Capital Assets, Depreciated		
Net of Accumulated Depreciation	2,543,205	2,238,462
<b>TOTAL ASSETS</b>	<b>15,600,313</b>	<b>14,335,897</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to Volunteer Pension	174,723	115,631
Related to SWDB Pension	1,050,664	1,133,892
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,225,387</b>	<b>1,249,523</b>
<b>LIABILITIES</b>		
Accounts Payable	43,312	4,292
Accrued Salaries and Benefits	136,050	125,628
Accrued Compensate Absences	567,241	156,939
Noncurrent Liabilities		
Net Pension Liability - Volunteer Pension	773,109	839,353
Net Pension Liability - SWDB Pension	-	168,962
<b>TOTAL LIABILITIES</b>	<b>1,519,712</b>	<b>1,295,174</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Revenues - Property Taxes	3,773,226	4,059,580
Related to Volunteer Pension	49,827	63,613
Related to SWDB Pension	94,433	96,129
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,917,486</b>	<b>4,219,322</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,756,441	2,451,698
Restricted for Emergencies	174,200	134,000
Unrestricted	8,457,861	7,485,226
<b>TOTAL NET POSITION</b>	<b>\$ 11,388,502</b>	<b>\$ 10,070,924</b>

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

EVANS FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net Expense (Revenues) and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	
PRIMARY GOVERNMENT				2024	2023
<b>Governmental Activities</b>					
General Government	\$ 4,498,008	\$ -	\$ 9,992	\$ (4,488,016)	\$ (4,182,063)
Total Governmental Activities	4,498,008	-	9,992	(4,488,016)	(4,182,063)
GENERAL REVENUES					
Property Taxes				4,561,752	3,571,395
Specific Ownership Taxes				147,154	151,629
Impact and Other Fees				458,439	115,965
Intergovernmental				290,896	208,779
Other				347,353	403,455
TOTAL GENERAL REVENUES				5,805,594	4,451,223
CHANGE IN NET POSITION				1,317,578	269,160
NET POSITION, Beginning				10,070,924	9,801,764
NET POSITION, Ending				\$ 11,388,502	\$ 10,070,924

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

EVANS FIRE PROTECTION DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2024

	GENERAL FUND	
	2024	2023
<b>ASSETS</b>		
Cash and Investments	\$ 8,772,277	\$ 7,662,004
Accounts Receivable	205,635	76,661
Property Taxes Receivable	3,773,226	4,059,580
Prepaid Expenses	92,734	85,954
<b>TOTAL ASSETS</b>	<b>\$ 12,843,872</b>	<b>\$ 11,884,199</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 43,312	\$ 4,292
Accrued Expenses	136,050	125,628
<b>TOTAL LIABILITIES</b>	<b>179,362</b>	<b>129,920</b>
<b>DEFERRED INFLOWS</b>		
Deferred Revenues - Property Taxes	3,773,226	4,059,580
<b>FUND EQUITY</b>		
Fund Balance		
Nonspendable	92,734	85,954
Restricted for Emergencies	174,200	134,000
Unassigned	8,624,350	7,474,745
<b>TOTAL FUND EQUITY</b>	<b>8,891,284</b>	<b>7,694,699</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>	<b>\$ 12,843,872</b>	<b>\$ 11,884,199</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Fund Equity, Governmental Funds	8,891,284	7,694,699
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	2,756,441	2,451,698
Long-term liabilities and related assets are not due and payable in the current period and are not reported in the funds. This includes compensated absences (\$567,241), net pension liability of (\$773,109), deferred outflows related to pensions of \$1,225,387 and deferred inflows related to pensions of (\$144,260).	(259,223)	(75,473)
<b>Net position of governmental activities</b>	<b>\$ 11,388,502</b>	<b>\$ 10,070,924</b>

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

EVANS FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2024

	GENERAL FUND	
	2024	2023
REVENUES		
Property Taxes	\$ 4,561,752	\$ 3,571,395
Specific Ownership Taxes	147,154	151,629
Intergovernmental	290,896	208,779
Impact and Other Fees	458,439	115,965
Grants	9,992	5,298
Interest	308,470	222,300
Miscellaneous	38,883	181,155
TOTAL REVENUES	<u>5,815,586</u>	<u>4,456,521</u>
EXPENDITURES		
Current		
Salaries and Benefits	3,425,910	2,944,575
Operations	665,559	392,881
Capital Outlay	527,532	244,748
TOTAL EXPENDITURES	<u>4,619,001</u>	<u>3,582,204</u>
NET CHANGE IN FUND BALANCES	1,196,585	874,317
FUND BALANCES, Beginning	<u>7,694,699</u>	<u>6,820,382</u>
FUND BALANCES, Ending	<u>\$ 8,891,284</u>	<u>\$ 7,694,699</u>

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

EVANS FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 1,196,585
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$460,747, exceeded depreciation expense (\$156,004) for the current year.	304,743
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the change in accrued compensation absences.	(410,302)
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>226,552</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,317,578</u></u>

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

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Evans Fire Protection District (the “District”) was formed in 2011 to provide fire protection services for the Town of Evans, Colorado. The District provides emergency services for fires, medical emergencies, rescues, hazardous materials releases, and man-made disasters within the District. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are 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.

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

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide and Fund Financial Statements** (Continued)

Major individual governmental funds are reported as separate columns in the fund financial 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*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

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

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Investments**

Investments are recorded at fair value.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Buildings	15 - 40 years
Machinery and Equipment	5 - 20 years
Vehicles	5 - 15 years

**Compensated Absences**

Employees of the District are allowed to accumulate unused paid time off (PTO) up to an accrual amount ("cap") as stated in the District Member Handbook. Upon termination of employment with the District, an employee is compensated for all of the employee's accrued but unused PTO, if any, at the employee's current rate of pay.

These compensated absences are recognized when due in the governmental funds types. A liability has been recorded in the government-wide financial statements for accrued compensated absences.

**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net positions.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

**Property Taxes**

The District certifies its property taxes expressed as a mill levy, on or before December 15. Property taxes attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

**Net Position**

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Unrestricted Net Position represent assets that do not have any third-party limitation on their use. While District management may have categorized and segmented portions for various purposes, the Board of Directors has the unrestricted authority to revisit or alter these managerial decisions

**Fund Balance Classification**

In the government-wide financial statements, net positions are restricted when constraints placed on the net positions are externally imposed.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. At December 31, 2024, the District reports prepaid expenses as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by the State Constitution for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (motion or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not report any committed resources as of December 31, 2024.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The District would typically use restricted fund balances first, followed by committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Before October 15, the Board of Directors appoints District Management as the District's Budget Officer.
- On or before October 15, District Management, acting as the Budget Officer submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- At least one public hearing is conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between one or more line items within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 3: CASH DEPOSITS**

A summary of deposits as of December 31, 2024, follows:

Cash Deposits	\$ 2,781,098
Investments	<u>5,991,179</u>
Total	<u>\$ 8,772,277</u>

**Deposits**

Custodial Credit Risk -Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At December 31, 2024, the District had deposits with financial institutions with a carrying amount of \$2,781,098. The bank balances with the financial institutions were \$2,781,498. Of these balances, \$250,000 was covered by federal depository insurance and \$2,531,498 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

**Investments**

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

EVANS FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 3: CASH DEPOSITS** (Continued)

Credit Risk (Continued)

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado local governments.

Local Government Investment Pools

The District had invested \$5,991,179 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned 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 entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2024, is summarized below:

	Balances <u>12/31/23</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/24</u>
<b>Governmental Activities</b>				
Capital Assets, not depreciated				
Land	\$ 213,236	\$ -	\$ -	\$ 213,236
Total Capital Assets, not depreciated	<u>213,236</u>	<u>-</u>	<u>-</u>	<u>213,236</u>
Capital Assets, depreciated				
Buildings and Improvements	2,903,667	460,747	-	3,364,414
Machinery and Equipment	344,229	-	-	344,229
Vehicles	1,802,267	-	-	1,802,267
Total Capital Assets, depreciated	<u>5,050,163</u>	<u>460,747</u>	<u>-</u>	<u>5,510,910</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,040,234	81,845	-	1,122,079
Machinery and Equipment	362,543	-	18,314	344,229
Vehicles	1,408,924	92,473	-	1,501,397
Total Accumulated Depreciation	<u>2,811,701</u>	<u>174,318</u>	<u>18,314</u>	<u>2,967,705</u>
Total Capital Assets, depreciated, Net	<u>2,238,462</u>	<u>286,429</u>	<u>18,314</u>	<u>2,543,205</u>
Governmental Activities, Capital Assets, Net	<u>\$ 2,451,698</u>	<u>\$ 286,429</u>	<u>\$ 18,314</u>	<u>\$ 2,756,441</u>

Depreciation expense was charged to general government program of the District.

**NOTE 5: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

	Balance <u>12/31/23</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/24</u>	Due In <u>One Year</u>
Compensated Absences	\$ 156,939	\$ 410,302	\$ -	\$ 567,241	\$ -
Total	<u>\$ 156,939</u>	<u>\$ 410,302</u>	<u>\$ -</u>	<u>\$ 567,241</u>	<u>\$ -</u>

Compensated Absences will be paid from the General Fund.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 6: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance through a commercial carrier for these risks of loss. Settled claims have not exceeded insurance coverage in the last three years.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

Taxpayer's Bill of Rights (TABOR)

TABOR Amendment - Colorado voters passed the Taxpayer's Bill of Rights (TABOR), which amended the State Constitution to add Article X, Section 20, which imposes several limitations and requirements, including revenue raising, spending abilities, and other specific requirements of state and local government. Upon formation of the District in 2011, the District's voters exempted the District from TABOR's revenue and spending limits, and the annual revenue limits imposed by Section 29-1-301 of the Colorado Revised Statutes.

The District has established an emergency reserve, representing 3% of fiscal year spending (excluding debt service), as required by TABOR. At December 31, 2024, the emergency reserve of \$174,200 was recorded in the General Fund. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

Impact Fees

In December 2016 the District entered into an Intergovernmental Agreement with the City of Evans, Colorado regarding the collection and distribution of impact fees. Under the terms of the agreement, the City will collect and distribute any impacted fees to the District. For the year ended December 31, 2024, the District received \$437,268 for impact fees collected by the City of Evans, Colorado under the terms of the agreement.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS**

**Volunteer Firefighters' Pension Plan**

**Summary of Significant Accounting Policies**

The District has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA"). The net pension 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 Volunteer Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.* Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for years of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

*Funding Policy.* An actuary is used to determine the annual required contribution ("ARC") necessary to maintain the actuarial soundness of the Plan. Colorado law requires the State to make an annual contribution to the Plan. Because the District's monthly benefit amount is over \$300, the State's annual contribution is calculated as the highest State contribution made between 1998 and 2001. The District makes an additional contribution to support the plan.

The actuarial study as of January 1, 2023, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan.

At December 31, 2023, there are 23 retired volunteers receiving benefits and 4 inactive, nonretired volunteers.

EVANS FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Volunteer Firefighters' Pension Plan** (Continued)

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

At December 31, 2024, the District reported a net pension liability of \$773,109. The net pension liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024.

For the year ended December 31, 2024, the District recognized pension expense of \$36,878.

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	N/A
Net difference between projected and actual earnings on pension plan investments	\$86,723	\$49,827
Change in assumptions and other inputs	N/A	N/A
Contributions subsequent to the measurement date	88,000	N/A
Total	<b>\$174,723</b>	<b>\$49,827</b>

\$88,000 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, 2024. Other 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 December 31,	
2024	\$4,420
2025	\$11,893
2026	\$24,846
2027	(\$4,063)

EVANS FIRE PROTECTION DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Volunteer Firefighters' Pension Plan** (Continued)

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

*Actuarial assumptions:* Method, 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:	5-Year smoothed fair value
Inflation	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.00%
Retirement Age:	50% per year of eligibility until 100% at age 65.
Mortality:	<b>Pre-retirement:</b> 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality <b>Post-retirement:</b> 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. <b>Disabled:</b> 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

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.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Volunteer Firefighters' Pension Plan** (Continued)

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

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	4.32%
Fixed Income - Rates	10.00%	5.35%
Fixed Income - Credit	5.00%	5.89%
Absolute Return	9.00%	6.39%
Long Short	6.00%	7.27%
Global Equity	35.00%	8.33%
Private Markets	34.00%	10.31%
Total	100.0%	

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset	\$940,352	\$773,109	\$631,747

*FPPA System Description.* The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only.

FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

EVANS FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS**

**Statewide Retirement 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 employer 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.

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

**Description of Benefits**

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

EVANS FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Retirement Plan** (Continued)

**Description of Benefits (Continued)**

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 the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then 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.

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 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

EVANS FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Retirement Plan** (Continued)

**Contributions**

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

Members of the Defined Benefit Component 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 was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates 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.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Retirement Plan** (Continued)

**Contributions** (Continued)

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 on 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 the employer are made on a pre-tax basis.

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

At December 31, 2024 the District reported a net pension asset in the amount of \$0 for its proportionate share of the SRP Plan net pension asset. The SRP Plan net pension asset was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The District's proportion of the SRP Plan net pension asset was based on the District's contributions to the SRP Plan for the calendar year 2023 relative to the total contributions of participating employers to the SRP Plan.

At December 31, 2024, the District's proportion was 0.1929%, which was an increase of 0.0026% from its proportion measured as of December 31, 2023.

EVANS FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Retirement Plan** (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 SRP pension expense of \$118,811. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to SRP pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$367,468	\$17,656
Net difference between projected and actual earnings on pension plan investments	\$263,806	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$76,777
Change in assumptions and other inputs	\$213,146	N/A
Contributions subsequent to the measurement date	\$206,241	N/A
Total	\$1,050,664	\$94,433

\$206,241 reported as deferred outflows of resources related to SRP pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2025.

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

<b>Year ended December 31</b>	
2025	\$141,567
2026	\$200,460
2027	\$291,026
2028	\$30,642
2029	\$39,691
Thereafter	\$46,604

*Actuarial assumptions.* The actuarial valuations for the SWBP Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Retirement Plan** (Continued)

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

The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11,25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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 & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023.

EVANS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Retirement Plan** (Continued)

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

The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on SRP 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 SRP Plan's target asset allocation as of December 31, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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	1.00%	4.32%
Total	100.00%	

The discount rate used to measure the total SRP 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 FPPA Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SRP 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 payment) to determine the total pension liability.

*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).

EVANS FIRE PROTECTION DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Retirement Plan** (Continued)

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

For the purpose of this valuation, the expected rate of return on SRP 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 asset liability/(asset) to changes in the Single Discount Rate, the following presents the SRP Plan's net pension liability, 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 or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$1,081,963	-	-

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

**NOTE 9: SUBSEQUENT EVENTS**

Potential subsequent events were considered through July 29, 2025. It was determined that no events were required to be disclosed through this date.

**REQUIRED SUPPLEMENTAL INFORMATION**

EVANS FIRE PROTECTION DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2024

	2024			VARIANCE Positive (Negative)	2023 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Property Taxes	\$ 4,165,834	\$ 4,560,019	\$ 4,561,752	\$ 1,733	\$ 3,571,395
Specific Ownership Taxes	125,000	125,000	147,154	22,154	151,629
Intergovernmental	293,850	293,850	290,896	(2,954)	208,779
Impact and Other Fees	2,000	2,000	458,439	456,439	115,965
Grants	1,800	1,800	9,992	8,192	5,298
Interest	203,000	203,000	308,470	105,470	222,300
Miscellaneous	-	-	38,883	38,883	181,155
<b>TOTAL REVENUES</b>	<u>4,791,484</u>	<u>5,185,669</u>	<u>5,815,586</u>	<u>629,917</u>	<u>4,456,521</u>
EXPENDITURES					
Current					
Salaries and Benefits	3,470,554	3,470,554	3,425,910	44,644	2,944,575
Operations	562,168	631,368	665,559	(34,191)	392,881
Capital Outlay	205,445	660,132	527,532	132,600	244,748
<b>TOTAL EXPENDITURES</b>	<u>4,238,167</u>	<u>4,762,054</u>	<u>4,619,001</u>	<u>143,053</u>	<u>3,582,204</u>
CHANGE IN FUND BALANCE	553,317	423,615	1,196,585	772,970	874,317
FUND BALANCE, Beginning	6,151,219	6,151,219	7,694,699	1,543,480	6,820,382
FUND BALANCE, Ending	<u>\$ 6,704,536</u>	<u>\$ 6,574,834</u>	<u>\$ 8,891,284</u>	<u>\$ 2,316,450</u>	<u>\$ 7,694,699</u>

See the accompanying independent auditors' report.

Volunteer Firefighters' Pension Plan  
December 31, 2024

<u>FY Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 83,647	\$ 110,123	\$ (26,476)	N/A	N/A
2015	83,647	110,123	(26,476)	N/A	N/A
2016	56,939	110,985	(54,046)	N/A	N/A
2017	82,282	110,123	(27,841)	N/A	N/A
2018	82,282	110,123	(27,841)	N/A	N/A
2019	82,282	110,123	(27,841)	N/A	N/A
2020	66,491	88,000	(21,509)	N/A	N/A
2021	66,491	132,246	(65,755)	N/A	N/A
2022	87,113	110,123	(23,010)	N/A	N/A
2023	87,113	110,123	(23,010)	N/A	N/A

See the accompanying independent auditors' report.

EVANS FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS  
VOLUNTEER FIREFIGHTERS' PENSION PLAN

Measurement Period Ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service Cost	\$ 13,838	\$ 4,789	\$ 4,789	\$ 2,854	\$ 2,854	\$ 1,731	\$ 1,731	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	95,423	90,582	88,878	111,429	110,379	96,509	95,349	92,495	90,403	115,958
Benefit Changes	-	-	290,456	-	-	-	-	-	357,524	-
Difference Between Expected and Actual Experiences	(70,507)	-	5,033	-	(140,966)	-	(21,663)	-	39,771	-
Assumption Changes	-	-	46,572	-	54,262	-	-	-	19,307	-
Benefit Payments	(94,506)	(103,373)	(133,353)	(134,865)	(121,463)	(116,303)	(113,265)	(117,473)	(127,474)	(156,898)
Net Change in Total Pension Liability	(55,752)	(8,002)	302,375	(20,582)	(94,934)	(18,063)	(37,848)	(24,978)	379,531	(40,940)
Total Pension Liability - Beginning	1,311,913	1,256,161	1,248,159	1,550,534	1,529,952	1,435,018	1,416,955	1,379,107	1,354,129	1,733,660
Total Pension Liability - Ending	\$ 1,256,161	\$ 1,248,159	\$ 1,550,534	\$ 1,529,952	\$ 1,435,018	\$ 1,416,955	\$ 1,379,107	\$ 1,354,129	\$ 1,733,660	\$ 1,692,720
<b>Plan Fiduciary Net Position</b>										
Employer Contribution	\$ 88,000	\$ 88,000	\$ 88,862	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000
Pension Plan Net Investment Income	37,338	11,218	32,623	90,305	1,103	96,730	93,276	125,411	(75,725)	80,892
Benefit Payments	(94,506)	(103,373)	(133,353)	(134,865)	(121,463)	(116,303)	(113,265)	(117,473)	(127,474)	(156,898)
Pension Plan Administrative Expenses	(1,270)	(4,522)	(1,253)	(6,927)	(7,099)	(7,325)	(5,662)	(6,793)	(8,266)	(8,913)
State of Colorado Supplemental Discretionary Payment	22,123	22,123	22,123	22,123	22,123	22,123	-	44,246	22,123	22,123
Net Change in Plan Fiduciary Net Position	51,685	13,446	9,002	58,636	(17,336)	83,225	62,349	133,391	(101,342)	25,204
Plan Fiduciary Net Position - Beginning	601,251	652,936	666,382	675,384	734,020	716,684	799,909	862,258	995,649	894,307
Plan Fiduciary Net Position - Ending	652,936	666,382	675,384	734,020	716,684	799,909	862,258	995,649	894,307	919,511
Net Pension Liability/(Asset)	\$ 603,225	\$ 581,777	\$ 875,150	\$ 795,932	\$ 718,334	\$ 617,046	\$ 516,849	\$ 358,480	\$ 839,353	\$ 773,209
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	51.98%	53.39%	43.56%	47.98%	49.94%	56.45%	62.52%	73.53%	51.58%	54.32%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

EVANS FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportionate share of the Net Pension Liability (Asset)	0.165%	0.175%	0.181%	0.170%	0.174%	0.158%	0.176%	0.183%	0.190%	0.193%
District's proportionate share of the Net Pension Liability (Asset)	\$ (186,583)	\$ (3,088)	\$ 65,471	\$ (244,097)	\$ 219,759	\$ 89,457	\$ 382,168	\$ (991,444)	\$ 168,962	\$ -
District's covered payroll	\$ 743,474	\$ 775,599	\$ 944,519	\$ 1,059,074	\$ 1,156,980	\$ 1,128,411	\$ 1,400,652	\$ 1,554,280	\$ 1,786,090	\$ 2,062,410
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-25.1%	-0.4%	6.9%	-23.0%	19.0%	7.9%	27.3%	-63.8%	9.5%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	105.8%	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%	97.6%	97.6%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

See the accompanying independent auditors' report.

EVANS FIRE PROTECTION DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contributions	\$ 59,478	\$ 62,048	\$ 75,562	\$ 100,612	\$ 148,586	\$ 109,913	\$ 107,199	\$ 118,114	\$ 139,885	\$ 169,330	\$ 206,241
Contributions in relation to the Statutorily required contributions	59,478	62,048	75,562	100,612	148,586	109,913	107,199	118,114	139,885	169,330	206,241
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 743,474	\$ 775,599	\$ 944,519	\$ 1,059,074	\$ 1,564,062	\$ 1,156,980	\$ 1,128,411	\$ 1,243,305	\$ 1,472,474	\$ 1,782,421	\$ 2,062,410
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	10.00%

See the accompanying independent auditors' report.