

ELK CREEK FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2024

TABLE OF CONTENTS

Independent Auditors' Report	i-ii
Management's Discussion and Analysis	iii-ix
BASIC FINANCIAL STATEMENTS	
<u>Government – Wide Financial Statements</u>	
Statement of Net Position	1
Statement of Activities	2
<u>Governmental Fund Financial Statements</u>	
Balance Sheet – Governmental Fund	3
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	5
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balance of the Governmental Fund to the Statement of Activities	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 31
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	32
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Volunteer Pension Plan	33
Schedule of Pension Contributions – Volunteer Pension Plan	34
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) – Statewide Defined Benefit Plan	35
Schedule of the District's Contributions – Statewide Defined Benefit Plan	36



INDEPENDENT AUDITORS' REPORT

Board of Directors
Elk Creek Fire Protection District
Conifer, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

The Adams Group, LLC

Greenwood Village, Colorado
June 9, 2025

MANAGEMENT'S DISCUSSION & ANALYSIS

ELK CREEK FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Background Information

The District encompasses 90 square miles and is located primarily in the Conifer area of Jefferson County, Colorado, with a small section in Park County, Colorado. The District was organized in 1948. In 1981, the Department was reorganized as a special district under the provisions of the Colorado Special District Act.

Governed by a five-member elected Board, the mission of the District is to provide fire suppression, emergency medical services, technical rescue, hazardous materials, and fire prevention education to the community. District career and volunteer personnel respond to an average of 1,200 calls per year, about 60% of which deal with medical emergencies, including those arising out of motor vehicle accidents. The District provides these services through a combination department under the direction of a full-time Fire Chief with over fifty volunteer firefighters/medics and eleven career firefighters/medics, supported by a small career technical and administrative staff.

The District charges fees for emergency medical services, ambulance transport, fire prevention permit and inspection fees to offset costs incurred by these services. The District's fire suppression and other emergency response services are funded primarily through real property taxes collected in Jefferson and Park Counties, supplemented by acquired grant funding and service charges to other entities.

In addition to property tax and service fee revenues, the District continues to participate in the CRRF Agreement administered by the Colorado State Forest Service. Under this State - Federal Interagency Agreement, the District will be reimbursed for the use of personnel and equipment provided for firefighting services beyond the District's geographical boundaries.

2024 Financial Highlights

- The District's financial status reflected an increase in net position during the 2024 fiscal year. The increase was \$2,158,151, a 19.6% increase when compared to beginning net position. Ending net position as of December 31, 2024 was \$13,142,111.
- Property and specific ownership tax revenues accounted for \$5,271,284 or 59.0% of all revenues. The District had revenue of \$581,787 from charges for services, and \$3,083,423 from intergovernmental, investment earnings and other revenues.
- During the year ended December 31, 2024, total governmental activities expenditures were \$6,778,343. The largest component is salaries and benefits which represents approximately 70% of total expenditures in 2024.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

- At December 31, 2024, the District's general fund balance sheet reported an ending fund balance of \$8,210,983, an increase of \$1,937,166 from the prior year. The increase was driven by an increase in tax revenue and intergovernmental revenue during fiscal year 2024.
- As of December 31, 2024, the District's long-term liabilities are related to subscription-based information technology and compensated absence liabilities as of December 31, 2024.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and earned but unused vacation leave).

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

The District's main governmental activity is fire protection and emergency medical services. The basic government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives.

ELK CREEK FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has one governmental fund, a general fund.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7-31 of this report.

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

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$13,142,111 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$2,158,151.

Government-wide Financial Analysis

One of the largest portions of the District's net position (22.9%) reflects its net investment in capital assets (for example, land, construction in progress, buildings, machinery and equipment, and vehicles); 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Statement of Net Position

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 13,810,423	\$ 11,875,236
Capital assets	2,986,231	3,196,786
Net pension asset	941,690	798,800
Right to use subscription asset, net of amortization	50,631	78,248
Total assets	<u>17,788,975</u>	<u>15,949,070</u>
Deferred outflows of resources	<u>1,154,670</u>	<u>1,031,704</u>
Liabilities		
Current liabilities	154,311	281,128
Long-term liabilities	110,464	220,817
Total liabilities	<u>264,775</u>	<u>501,945</u>
Deferred inflows of resources	<u>5,536,759</u>	<u>5,494,869</u>
Net position:		
Net investment in capital assets	3,004,556	3,216,475
Restricted	1,204,690	987,800
Unrestricted	8,932,865	6,779,685
Total net position	<u>\$ 13,142,111</u>	<u>\$ 10,983,960</u>

An additional portion of the District's net position (9.1%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 68.0% of total net position (\$8,932,865), represents unrestricted net position that may be used to meet the District's ongoing obligations.

For the year ended December 31, 2024, the District implemented Governmental Accounting Standards Board (GASB) No. 101, *Compensated Absences*. The implementation of this standard had no material impact on the District for the year ended December 31, 2024.

The District's finances are strong, sound, and stable because of solid, dedicated and committed financial management. The changes in net position displayed subsequently show the governmental activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Changes in Net Position

	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 581,787	\$ 396,471
Operating grants and contributions	2,344,070	1,145,876
General revenues:		
Property taxes and specific ownership taxes	5,271,284	3,877,608
Investment earnings	389,785	323,080
Other revenue	349,568	538,609
Total revenues	<u>8,936,494</u>	<u>6,281,644</u>
Expenses:		
Fire protection and emergency services	6,311,198	4,724,666
Depreciation and amortization	<u>467,145</u>	<u>469,445</u>
Total expenses	<u>6,778,343</u>	<u>5,194,111</u>
Changes in net position	2,158,151	1,087,533
Net position - beginning	<u>10,983,960</u>	<u>9,896,427</u>
Net position - ending	<u>\$ 13,142,111</u>	<u>\$ 10,983,960</u>

Property and specific ownership taxes account for a large portion of the District's revenue, contributing about 59.0% of total revenues as compared to 61.7% of revenues in 2023. During 2024 the District received approximately 39.2% from program revenues; in comparison to approximately 24.6% in 2023. During 2024, investment earnings constituted approximately 4.4% which was a decrease of 0.8% from 2023. Intergovernmental revenues in 2024 were 35.6% of total revenues in 2024 as compared to 18.2% in the prior year. The District expenses predominantly related to all-hazard emergency services, which includes administration, fire protection, emergency medical transport, community risk reduction, communications and vehicle and facility maintenance. Given the District is a public service organization providing full-time emergency services, the majority of the expenses are for salaries and benefits, insurance, building utilities and repairs, vehicle and equipment maintenance, training, and supplies.

Total expenses for governmental activities were \$6,778,343 in 2024 when compared to the 2023 balance of \$5,194,111. The largest increase is related to CRRF expenses which increased by \$854,792 from 2023 to 2024.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration, CRRF, emergency medical services, fire expenditures, fire station expenditures, fuel crew, maintenance and repairs, prevention, training, and wildland fire suppression. The general fund also provides for such other items as insurance, utilities, fees, and other operating costs the District incurs. The primary funding source for the general fund is taxation of real property and intergovernmental revenues. Other sources of income for the general fund include emergency medical transport services, interest income, and other income.

As of December 31, 2024, the District's general fund reported an ending fund balance of \$8,210,983, an increase of \$1,937,166 from the prior year. The District has \$4,302,251 of unassigned fund balance, which is available for spending at the District's discretion. In addition, the District has \$263,000 restricted as of December 31, 2024 under the TABOR amendment and has assigned \$3,550,000 for specific purposes as of December 31, 2024.

General Fund Budgetary Highlights

A budget to actual statement is provided for the general fund. Budgeted taxes represent the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. There were positive revenue variances totaling \$1,821,244. Expenditures for the District were over budget by \$514,988 which may be a violation of Colorado Budget Law.

The District must maintain a 3% emergency contingency restricted reserve account as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2024, the District's TABOR reserve amounted to \$263,000.

Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the District had capital assets including land, fire stations and equipment, and vehicles and subscription assets of \$3,036,862 (net of accumulated depreciation and amortization). As outlined below, capital assets decreased \$238,172 in 2024 as a result of current year depreciation and amortization. Additional information on the District's capital assets can be found in Note 3 to the financial statements. Total depreciation and amortization expense for the year was \$467,145.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets (Net of Accumulated Depreciation and Amortization)

	Governmental Activities	
	2024	2023
Land	\$ 48,031	\$ 48,031
Construction in progress	172,604	-
Fire stations and equipment	1,343,482	1,467,388
Vehicles	1,422,114	1,681,367
Subscription-based IT	50,631	78,248
	<u>\$ 3,036,862</u>	<u>\$ 3,275,034</u>

Long-Term Debt

As of December 31, 2024, the District's long-term debt is related to compensated absences and subscription-based information technology obligations. See Note 4 for balances as of December 31, 2024.

Factors Bearing on the District's Future

The District showed significant recovery during the year in the economy and expects a brighter outlook in the upcoming years. Tax revenues showed continuous improvement, and the District continues to participate in several CRRF events annually.

Contacting the District's Financial Management Team

This Financial Report is designed to provide District citizens, our customers and creditors, and the State of Colorado with a general overview of the District's finances and to demonstrate the District's accountability for the revenues it receives. If you have questions regarding this report or need additional publicly available financial information, please contact the District's Administrative Office at (303) 816-9385, or mail your requests to:

Elk Creek Fire Protection District
P.O. Box 607
Conifer, Colorado 80433

BASIC FINANCIAL STATEMENTS

ELK CREEK FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and investments	\$ 7,147,888
Property tax receivable	4,582,352
Prepaid items	95,732
Intergovernmental receivable	1,094,497
Lease receivable	741,124
Other current assets	1,932
EMS accounts receivable, net of allowance for uncollectible of \$62,957	146,898
Capital assets, not being depreciated	220,635
Capital assets, being depreciated (net of accumulated depreciation)	2,765,596
Net pension asset	941,690
Right to use subscription asset, net of amortization	50,631
Total Assets	<u>17,788,975</u>
<u>Deferred Outflows of Resources</u>	
Related to pension	<u>1,154,670</u>
Total Deferred Outflows of Resources	<u>1,154,670</u>
<u>Liabilities</u>	
Accounts payable	76,836
Accrued wages and benefits	47,475
Unearned revenue	30,000
Noncurrent liabilities:	
Compensated absences, due in one year	78,158
Subscription-based technology obligations	<u>32,306</u>
Total Liabilities	<u>264,775</u>
<u>Deferred Inflows of Resources</u>	
Related to pension	267,329
Unavailable property taxes	4,582,352
Unavailable lease revenue	<u>687,078</u>
Total Deferred Outflows of Resources	<u>5,536,759</u>
<u>Net Position</u>	
Net investment in capital assets	3,004,556
Restricted	
Emergencies	263,000
Net pension asset	941,690
Unrestricted	<u>8,932,865</u>
Total Net Position	<u>\$ 13,142,111</u>

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

ELK CREEK FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:					Governmental Activities
Fire protection and emergency services	\$ 6,778,343	\$ 581,787	\$ 2,344,070	\$ -	\$ (3,852,486)
Total Governmental Activities	<u>\$ 6,778,343</u>	<u>\$ 581,787</u>	<u>\$ 2,344,070</u>	<u>\$ -</u>	<u>(3,852,486)</u>
General Revenues:					
Property taxes					4,972,698
Specific ownership taxes					298,586
Interest income					389,785
Lease revenue					63,352
Other revenue					286,216
Total General revenues					<u>6,010,637</u>
Changes in net position					2,158,151
Net Position, Beginning					<u>10,983,960</u>
Net Position, Ending					<u>\$ 13,142,111</u>

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

ELK CREEK FIRE PROTECTION DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2024

	<u>General Fund</u>
<u>Assets</u>	
Cash and investments	\$ 7,147,888
Property tax receivable	4,582,352
Prepaid items	95,732
Accounts receivables	1,094,497
Lease receivable	741,124
EMS accounts receivable, net of allowance for uncollectible of \$62,957	146,898
Other current assets	1,932
Total Assets	<u>\$ 13,810,423</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>	
Liabilities:	
Accounts payable	\$ 76,836
Accrued wages and benefits	47,475
Unearned revenue	30,000
Total Liabilities	<u>154,311</u>
<u>Deferred inflows of resources</u>	
Unavailable property taxes	4,582,352
Unavailable grant revenue	60,000
Unavailable lease revenue	687,078
Unavailable EMS revenue	115,699
Total Deferred Inflows of Resources	<u>5,445,129</u>
Fund balance:	
Nonspendable	
Prepaid items	95,732
Restricted	
Emergencies	263,000
Assigned	
Capital reserve	3,550,000
Unassigned	4,302,251
Total Fund Balances	<u>8,210,983</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 13,810,423</u>

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

ELK CREEK FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total fund balance - governmental fund \$ 8,210,983

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. 2,986,231

Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:

Emergency medical service fees 115,699

Grant revenues 60,000

Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Subscription-based information technology assets, net 50,631

Net pension asset 941,690

Certain liabilities used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Compensated absences (78,158)

Subscription-based information technology liability (32,306)

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:

Related to pension 1,154,670

Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:

Related to pension (267,329)

Total net position of governmental activities \$ 13,142,111

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

ELK CREEK FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2024

	<u>General Fund</u>
<u>Revenues</u>	
Taxes:	
Property taxes	\$ 4,972,698
Specific ownership taxes	298,586
Intergovernmental revenues	2,284,070
Charges for services	528,051
Interest income	389,785
Lease revenue	63,352
Other revenue	286,216
Total revenues	<u>8,822,758</u>
<u>Expenditures</u>	
Current:	
Administration	994,917
CRRF	1,471,332
Emergency medical services	1,411,005
Fire expenditures	827,606
Fire station expenditures	143,536
Fuel crew	197,741
Maintenance and repairs	339,291
Prevention	205,716
Training	256,551
Wildland fire suppression	694,472
Capital outlay	317,172
Debt service:	
Principal	26,253
Total expenditures	<u>6,885,592</u>
Net changes in fund balance	1,937,166
Fund balance - beginning	<u>6,273,817</u>
Fund balance - ending	<u><u>\$ 8,210,983</u></u>

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

ELK CREEK FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net changes in fund balance - total governmental fund: \$ 1,937,166

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

Governmental funds report capital outlay as expenditures, However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlay was greater than depreciation and amortization.

Capital outlay	228,973
Depreciation and amortization expense	(467,145)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the scheduled principal payments on existing debt.

Principal payments	26,253
--------------------	--------

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

Change in compensated absences	(34,474)
Pension income	353,642

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

Emergency medical services	53,736
Grant revenue	60,000

Changes in net position of governmental activities	<u>\$ 2,158,151</u>
--	---------------------

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Elk Creek Fire Protection District (the District) was organized in 1981 as a special district under the provisions of the Colorado Special District Act. The function of the District is to provide fire protection and rescue services to residents in the area through its combination fire department located in Conifer, Colorado. In addition to the volunteer fire fighters, the District employs paid firefighters, including a Fire Chief and Fire Marshal.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization. The District is not a component unit of any other primary governmental entity.

Significant accounting policies of the District are described as follows:

Government-wide and fund financial statements

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation and amortization is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For the purpose of Wildland grant reimbursements, the District considers revenue if it is collectible within 360 days due to delays in reimbursements. The major sources of revenue susceptible to accrual are property tax, CRRF and intergovernmental revenues, and emergency medical service fees. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or when the long-term obligations is paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

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

Budgets

In accordance with the Colorado Budget Law, the Board holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. For the year ended December 31, 2024, the general fund had actual expenditures of \$514,988 over budget which may be a violation of Colorado Budget Law.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

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

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year.

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

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

Lease Receivable

The District measured lease activity under GASB No. 87, *Leases*. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use-lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District has recorded a lease receivable and deferred inflow of resources related to leases in place for the year ended December 31, 2024. See Note 6 for additional information.

Other Receivables

All service fee related receivables at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2024, management has recorded an allowance of \$62,957 for contractual allowances and uncollectible ambulance service fees. All receivables are expected to be collected within one year.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items and will be reported as expenditures in future periods. Prepayments are recorded using the consumption method.

Capital Assets

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

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

Fire stations and equipment	5 - 40 years
Vehicles	5 - 20 years

Subscription-Based IT Arrangements (SBITAs)

The District obtained the right to use vendor's information technology software through various long-term contracts. The District recognizes a subscription liability and an intangible right-to-use subscription asset with governmental activities. At the commencement of a subscription, the District initially measures the subscription liability at present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs as needed. Right-to-use subscription assets useful lives are determined by the length of the subscription period and are amortized using the straight-line method. Key estimates and judgments include how the District determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The District uses the market rate of interest at the subscription's inception as the discount rate.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-Based IT Arrangements (SBITAs) (continued)

The subscription term includes the non-cancelable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments as outlined in subscription.

Compensated Absences

Employees of the District are granted personal time off (PTO) in varying amounts. The District's policy is such that a maximum amount (generally 360 hours) of time accrued may be carried forward. In the event of termination, an employee is paid for the accumulated time off. Time is accrued in the government-wide statement of net position. A liability for these amounts is reported in the governmental fund only if they have matured as a result of employee terminations. The District's general fund is used to liquidate compensated absences of the governmental activities.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Outflows and Deferred Inflows of Resources

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

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources (continued)

Deferred inflows of resources include property taxes earned but levied for a subsequent period, lease revenue and EMS revenue not collected within the period of availability, and certain amounts related to the District's defined benefit pension plans which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

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

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact. At December 31, 2024, the District had \$95,732 classified as nonspendable fund balance related to prepaid items.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2024, the District has \$263,000 restricted for emergencies.

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

Assigned – Amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the general fund. At December 31, 2024, the District has \$3,550,000 shown as assigned related to capital reserves.

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (continued)

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

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

Net Position

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

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

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

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

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

Estimates

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax, Spending, and Debt Limitations

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

In 1998, the District's voters exempted the District from the revenue and spending limits imposed by TABOR. As a result, the District is permitted to retain and expend all revenues from all sources including ad valorem property taxes. The District's mill levy shall not be increased without voter approval. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). For the year ending December 31, 2024, the District has restricted \$263,000 for this purpose.

New Accounting Standard Implementation

For the year ended December 31, 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of this standard had no material impact on the District for the year ended December 31, 2024.

NOTE 2 – CASH AND INVESTMENTS

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

Cash Deposits	\$ 174,231
Cash with County Treasurer	20,649
Investments	<u>6,953,008</u>
Total cash and investments	<u><u>\$ 7,147,888</u></u>

Cash Deposits

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Cash Deposits (continued)

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 State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the bank balance and carrying amount of the District's deposits were \$273,105 and \$194,880, respectively. All cash deposits were covered by either the FDIC or PDPA.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, where are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

- Guaranteed investment contracts
- * Local government investment pools

ColoTrust and Fair Value

As of December 31, 2024, the District had invested \$6,953,008 in Colorado Local Government Liquid Asset Trust (ColoTrust) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios – ColoTrust Prime, ColoTrust Plus+, and ColoTrust EDGE. The District's investments are held in ColoTrust Plus+. ColoTrust Prime and ColoTrust Plus+ operate similarly to a money market fund and each share is equal in value to \$1.00 and offers daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S. 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. ColoTrust is rated AAAm by Standard & Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in the District's capital assets during the year ended December 31, 2024:

	Balances December, 31 2023	Additions	Deletions	Balances December, 31 2024
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 48,031	\$ -	\$ -	\$ 48,031
Construction in progress	-	172,604	-	172,604
Total capital assets, not being depreciated	<u>48,031</u>	<u>172,604</u>	<u>-</u>	<u>220,635</u>
Capital Assets, being depreciated or amortized				
Fire stations and equipment	3,505,397	56,369	-	3,561,766
Vehicles	4,664,364	-	-	4,664,364
Right-to-use assets, subscriptions	82,851	-	-	82,851
Total capital assets, being depreciated or amortized	<u>8,252,612</u>	<u>56,369</u>	<u>-</u>	<u>8,308,981</u>
Accumulated depreciation				
Fire stations and equipment	(2,038,009)	(180,275)	-	(2,218,284)
Vehicles	(2,982,997)	(259,253)	-	(3,242,250)
Right-to-use assets, subscriptions	(4,603)	(27,617)	-	(32,220)
Total accumulated depreciation and amortization	<u>(5,025,609)</u>	<u>(467,145)</u>	<u>-</u>	<u>(5,492,754)</u>
Total capital assets being depreciated or amortized, net	<u>3,227,003</u>	<u>(410,776)</u>	<u>-</u>	<u>2,816,227</u>
Total capital assets, net	<u>\$ 3,275,034</u>	<u>\$ (238,172)</u>	<u>\$ -</u>	<u>\$ 3,036,862</u>

Depreciation and amortization expense of \$467,145 was charged to fire protection and emergency services for the year ended December 31, 2024.

NOTE 4 – LONG-TERM DEBT

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

	Balances December 31, 2023	Additions	Deletions	Balances December 31, 2024	Due In One Year
Subscription-based					
IT Software	\$ 58,559	\$ -	\$ 26,253	\$ 32,306	\$ 14,520
Compensated absences	43,684	103,098	68,624	78,158	78,158
Total	<u>\$ 102,243</u>	<u>\$ 103,098</u>	<u>\$ 94,877</u>	<u>\$ 110,464</u>	<u>\$ 92,678</u>

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 – LONG-TERM DEBT (CONTINUED)

The District is involved in subscription-based information technology arrangements (SBITAs) for software and underlying subscription assets which are subscribed mainly from commercial software vendors. In accordance with GASB Statement No. 96, all existing and newly acquired subscriptions during the current fiscal year were analyzed and classified as either qualified or non-qualified SBITAs.

Cloud-Based Computing

The subscription liability for software used in conjunction with cloud-based computing was entered into on November 30, 2023 and includes a 36-month term due in 2026. The total liability is \$82,815 which includes a one-time service fee of \$39,937 and annual licensed costs of \$15,856. The interest rate under the agreement is the estimated borrowing rate on the date the agreement was entered into or 4.5%. The payments can be revised based on the agreement and the services utilized by the District. Future payments under the agreement are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,520	\$ 1,336	\$ 15,856
2026	17,786	683	18,469
Total	<u>\$ 32,306</u>	<u>\$ 2,019</u>	<u>\$ 34,325</u>

NOTE 5 – 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 insured amounts in the last three years.

NOTE 6 – LEASES

The District has entered into a lease agreement with T-Mobile West Towner, LLC under a site lease agreement. In 2020, an amendment to the lease agreement was entered into for 6 renewal periods with the final renewal term expiring in 2051. The agreement calls for annual payments with 3 percent increases annually from 2024 to 2030 and 4 percent increases annually from 2031 to 2051. At December 31, 2024, the District recognizes a lease receivable of \$741,124 and deferred inflows of resources of \$687,078. During the year ended December 31, 2024, the District recognized amortization of the deferred inflow of \$25,765. The District recognized interest income of \$15,074 based on the estimate borrowing rate of 2.01 percent. The schedule below is a summary of expected lease receipts for future years under the lease agreement:

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 – LEASES (CONTINUED)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 7,613	\$ 14,897	\$ 22,510
2026	8,441	14,744	23,185
2027	9,307	14,574	23,881
2028	10,170	14,427	24,597
2029	11,153	14,182	25,335
2030 - 2034	74,216	67,125	141,341
2035 - 2039	113,813	58,150	171,963
2040 - 2044	164,430	44,791	209,221
2045 - 2049	228,783	25,764	254,547
2050 - 2051	113,198	3,447	116,645
Total	<u>\$ 741,124</u>	<u>\$ 272,101</u>	<u>\$ 1,013,225</u>

NOTE 7 – VOLUNTEERS' PENSION FUND

Plan Description

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan are commingled for investment purposes in the Fire and Police member's Benefit Fund, an agent multiple employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772.

Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service are entitled to benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

At December 31, 2024, the following members were covered by the benefit terms:

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Plan Description (continued)

Retirees and Beneficiaries	58
Inactive, nonretired members	4
Active members	4
Total	<u>66</u>

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefits for a member was \$440 a month for 20 years of service. This was increased to \$484 by the District in April of 2024 applied retroactively to the beginning of fiscal year 2024. Those members with a minimum of 10 years of service receive \$22 per month for every year of services. Survivor’s death benefits range from \$220 monthly benefit payment to 50% of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of \$100.

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2023. Contributions into the pension fund are derived from two sources; contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2024, the District’s contributions were \$25,000, not including contributions from the State.

Pension Liability (Asset), 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 of \$941,690. The net pension asset was measured at December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024.

For the year ended December 31, 2024, the District recognized pension income of \$225,589. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 – VOLUNTEERS’ PENSION FUND (CONTINUED)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	\$ 108,687	\$ -
Contributions Subsequent to the Measurement Date	25,000	-
Total	<u>\$ 133,687</u>	<u>\$ -</u>

\$25,000 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, 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:

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 4,238
2026	36,270
2027	82,880
2028	(14,701)
Total	<u>\$ 108,687</u>

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 – VOLUNTEERS' PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

Mortality rates were based on the following:

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

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

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

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

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

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

Changes in the Net Pension Liability (Asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	<u>[a]</u>	<u>[b]</u>	<u>[a] - [b]</u>
Balance, December 31, 2023	\$ 2,052,099	\$ 2,850,899	\$ (798,800)
Changes for the year:			
Service cost	4,515	-	4,515
Interest	136,779	-	136,779
Net investment income	-	266,655	(266,655)
Contributions - employer	-	25,000	(25,000)
Benefit payments including refunds of employee contributions	(204,127)	(204,127)	-
Difference between expected and actual experience of Total Pension Liability	-	-	-
Changes in assumptions	-	-	-
Administrative expense	-	(20,971)	20,971
State of Colorado supplemental discretionary payment	-	13,500	(13,500)
Net changes	<u>(62,833)</u>	<u>80,057</u>	<u>(142,890)</u>
Balance, December 31, 2024	<u>\$ 1,989,266</u>	<u>\$ 2,930,956</u>	<u>\$ (941,690)</u>

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

The following presents the net pension liability (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:

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 – VOLUNTEERS’ PENSION FUND (CONTINUED)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	\$ (774,215)	\$ (941,690)	\$ (1,086,037)

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>.

NOTE 8 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN

Plan Description

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

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at www.fppaco.org.

Description of Benefits

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT 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 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.

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

Contributions

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

Members of the defined benefit component contributed 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the members of the defined benefit component and their employers contributed at a rate of 12.0 percent and 10.0 percent, respectively, of base salary for a total contribution rate of 22.0 percent. The District's contributions to the plan for the year ended December 31, 2024 were \$206,004, equal to the required contributions.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

Contributions (continued)

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.

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

At December 31, 2024, the District reported a net pension liability of \$0, representing its proportionate share of the net pension asset of the plan. The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2023, the District's proportion was 0.1795% which was an increase of 0.0459% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the District recognized pension income of \$71,962. 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	\$ 341,829	\$ 16,424
Changes of Assumptions or other Inputs	198,275	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	245,402	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	29,473	250,905
Contributions Subsequent to the Measurement Date	206,004	-
Total	<u>\$ 1,020,983</u>	<u>\$ 267,329</u>

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

Pension Liability (Asset), Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

\$206,004 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 100,076
2026	163,938
2027	250,343
2028	8,143
2029	14,632
Thereafter	10,518
Total	<u>\$ 547,650</u>

Actuarial Assumptions

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

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

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (continued)

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

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

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

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

Discount Rate

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

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

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

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

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

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as the District's proportionate share of the net pension liability (asset) if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate, as follows:

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 1,006,473</u>	<u>\$ -</u>	<u>\$ -</u>

Pension Plan Fiduciary Net Position

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

NOTE 9 – OTHER RETIREMENT PLANS

IRS Section 457 Plan

The District has adopted a deferred compensation plan (457 Plan) as defined under Internal Revenue Code Section 457. The 457 plan allows District employees to make an elective deferral of a portion of their earned compensation to the 457 plan. The District matches 50% of the employee contribution, up to a maximum of 2% of total wages as established by Colorado State Statute. The 457 plan is a multi-employer plan administered by FPPA. The 457 plan trustee may amend the 457 plan. For the year ended December 31, 2024, the District made contributions of \$25,705 to the 457 plan.

Statewide Death and Disability Plan

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established by FPPA and may be amended by Colorado State Statute.

The plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. The percentage contribution amount varies depending on actuarial experience. The plan solely provides death and disability payments to eligible participants. In 2024, the District contributed \$65,921 to the plan.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 – TAXPAYER BILL OF RIGHTS (TABOR)

Article X, Section 20 of the Colorado Constitution, the Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

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

TABOR requires local governments to establish emergency reserves, which must be at least 3% of fiscal year spending, excluding bonded debt service. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The District had an emergency reserve of \$263,000 as of December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GENERAL FUND – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Taxes:				
Property taxes	\$ 4,535,364	\$ 4,535,364	\$ 4,972,698	\$ 437,334
Specific ownership taxes	275,000	275,000	298,586	23,586
Intergovernmental revenues	1,341,650	1,341,650	2,284,070	942,420
Charges for services	395,000	395,000	528,051	133,051
Interest income	369,500	369,500	389,785	20,285
Lease revenue	60,000	60,000	63,352	3,352
Other revenue	25,000	25,000	286,216	261,216
Total revenues	<u>7,001,514</u>	<u>7,001,514</u>	<u>8,822,758</u>	<u>1,821,244</u>
<u>Expenditures</u>				
Current:				
Administration	1,050,235	1,050,235	994,917	55,318
CRRF	1,080,228	1,080,228	1,471,332	(391,104)
Emergency medical services	1,149,536	1,149,536	1,411,005	(261,469)
Fire expenditures	789,091	789,091	827,606	(38,515)
Fire station expenditures	146,930	146,930	143,536	3,394
Fuel crew	19,800	19,800	197,741	(177,941)
Maintenance and repairs	351,757	356,257	339,291	16,966
Prevention	145,334	145,334	205,716	(60,382)
Training	289,476	289,476	256,551	32,925
Wildland fire suppression	773,717	773,717	694,472	79,245
Capital outlay	165,000	570,000	317,172	252,828
Debt service:				
Principal	-	-	26,253	(26,253)
Total expenditures	<u>5,961,104</u>	<u>6,370,604</u>	<u>6,885,592</u>	<u>(514,988)</u>
Net changes in fund balance	<u>\$ 1,040,410</u>	<u>\$ 630,910</u>	1,937,166	<u>\$ 1,306,256</u>
Fund balance - beginning			<u>6,273,817</u>	
Fund balance - ending			<u>\$ 8,210,983</u>	

See accompanying Independent Auditors Report

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND
RELATED RATIOS – VOLUNTEER PENSION PLAN
LAST 10 FISCAL YEARS

Measurement period ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>										
Service cost	\$ 4,515	\$ 12,282	\$ 12,282	\$ 19,970	\$ 19,970	\$ 34,702	\$ 34,702	\$ 34,219	\$ 34,219	\$ 35,224
Interest	136,779	157,231	159,189	147,243	148,946	164,517	163,430	156,938	156,306	156,445
Benefit changes	-	-	-	220,402	-	-	-	-	-	-
Differences between actual and expected experience	-	(267,602)	-	(8,532)	-	(163,344)	-	659	-	(7,728)
Changes in assumptions	-	10,529	-	-	-	86,286	-	77,535	-	-
Benefit payments	(204,127)	(197,572)	(201,256)	(207,935)	(179,040)	(182,100)	(185,120)	(181,000)	(183,160)	(187,360)
Net change in total pension liability	(62,833)	(285,132)	(29,785)	171,148	(10,124)	(59,939)	13,012	88,351	7,365	(3,419)
Total pension liability - beginning	2,052,099	2,337,231	2,367,016	2,195,868	2,205,992	2,265,931	2,252,919	2,164,568	2,157,203	2,160,622
Total pension liability - ending	<u>\$ 1,989,266</u>	<u>\$ 2,052,099</u>	<u>\$ 2,337,231</u>	<u>\$ 2,367,016</u>	<u>\$ 2,195,868</u>	<u>\$ 2,205,992</u>	<u>\$ 2,265,931</u>	<u>\$ 2,252,919</u>	<u>\$ 2,164,568</u>	<u>\$ 2,157,203</u>
<u>Plan Fiduciary Net Position</u>										
Net investment income	\$ 266,655	\$ (263,173)	\$ 439,247	\$ 354,918	\$ 372,867	\$ 1,482	\$ 371,441	\$ 135,607	\$ 49,032	\$ 178,186
Employer contributions	25,000	15,000	24,978	-	26,670	26,670	53,340	-	26,670	26,670
Benefit payments including refunds of employee contributions	(204,127)	(197,572)	(201,256)	(207,935)	(179,040)	(182,100)	(185,120)	(181,000)	(183,160)	(187,360)
Pension plan administrative expense	(20,971)	(18,618)	(17,914)	(15,305)	(25,616)	(25,574)	(30,059)	(12,727)	(11,791)	(27,623)
State of Colorado discretionary payment	13,500	11,240	35,240	-	24,000	24,000	24,000	24,000	24,000	24,000
Net change in plan fiduciary net position	80,057	(453,123)	280,295	131,678	218,881	(155,522)	233,602	(34,120)	(95,249)	13,873
Plan Fiduciary net position - beginning	2,850,899	3,304,022	3,023,727	2,892,049	2,673,168	2,828,690	2,595,088	2,629,208	2,724,457	2,710,584
Plan Fiduciary net position - ending	<u>\$ 2,930,956</u>	<u>\$ 2,850,899</u>	<u>\$ 3,304,022</u>	<u>\$ 3,023,727</u>	<u>\$ 2,892,049</u>	<u>\$ 2,673,168</u>	<u>\$ 2,828,690</u>	<u>\$ 2,595,088</u>	<u>\$ 2,629,208</u>	<u>\$ 2,724,457</u>
Net pension liability (asset) - ending	\$ (941,690)	\$ (798,800)	\$ (966,791)	\$ (656,711)	\$ (696,181)	\$ (467,176)	\$ (562,759)	\$ (342,169)	\$ (464,640)	\$ (567,254)
Plan fiduciary net position as a percentage of total pension liability	147.34%	138.93%	141.36%	127.74%	131.70%	121.18%	124.84%	115.19%	121.47%	126.30%
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 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

See accompanying Independent Auditors Report

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS – VOLUNTEER PENSION PLAN
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ -	\$ -	\$ 12,489	\$ 12,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual contribution	25,000	25,000	25,000	60,218	14,210	50,670	50,670	77,340	24,000	50,670
Contribution deficiency (excess)	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ (12,511)</u>	<u>\$ (47,729)</u>	<u>\$ (14,210)</u>	<u>\$ (50,670)</u>	<u>\$ (50,670)</u>	<u>\$ (77,340)</u>	<u>\$ (24,000)</u>	<u>\$ (50,670)</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	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	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

See accompanying Independent Auditors Report

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET) – STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS

Fiscal year ending December 31,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.1795%	0.1336%	0.1342%	0.0981%	0.0888%	0.1084%	0.1102%	0.1078%	0.0844%	0.0983%
District's proportionate share of the net pension liability (asset)	\$ -	\$ 118,574	\$ (727,308)	\$ (213,081)	\$ (50,197)	\$ 137,045	\$ (158,539)	\$ 38,970	\$ (1,487)	\$ (110,958)
District's covered payroll	1,578,034	1,167,821	1,085,203	788,342	654,164	726,113	644,588	551,950	729,600	408,963
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.0%	10.2%	(67.0%)	(27.0%)	(7.7%)	18.9%	(24.6%)	7.1%	(0.2%)	(27.1%)
Plan fiduciary net pension as a percentage of the total pension liability	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%

See accompanying Independent Auditors Report

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS –
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 206,004	\$ 149,913	\$ 104,601	\$ 91,833	\$ 63,067	\$ 52,333	\$ 58,089	\$ 51,566	\$ 44,156	\$ 58,369
Contributions in relation to the statutorily required contributions	<u>206,004</u>	<u>149,913</u>	<u>104,601</u>	<u>91,833</u>	<u>63,067</u>	<u>52,333</u>	<u>58,089</u>	<u>51,566</u>	<u>44,156</u>	<u>58,369</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	\$ 2,060,044	\$ 1,578,034	\$ 1,167,821	\$ 1,085,203	\$ 788,342	\$ 654,164	\$ 726,113	\$ 644,588	\$ 551,950	\$ 729,600
Contributions as a percentage of covered payroll	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

See accompanying Independent Auditors Report