



**FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH
INDEPENDENT AUDITORS' REPORT
December 31, 2024**

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Independent Auditors' Report

**The Board of Directors
Four Mile Fire Protection District
Florissant, Colorado**

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general 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 ("GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the 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.

Correction of Error

As discussed in Note 10 to the financial statements, the beginning balances of net position and fund balance have been restated for matters relating to understatement of assets, and liabilities on the statement of financial position and the governmental fund balance sheet. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual – General Fund, the Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset) Fire Police Statewide Defined Benefit Plan, and the Schedule of Employer Contributions 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 GAAS, 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.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Colorado Springs, Colorado
September 30, 2025

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**FOUR MILE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024**

The management of the Four Mile Fire Protection District (District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements presented are comprised of three components:

- 1) Government-Wide Financial Statements,
- 2) Fund Financial Statements, and
- 3) Notes to Financial Statements.

This report also contains required supplementary information in addition to the financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances as a whole, in a manner similar to a private-sector business and include two statements:

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

The *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.

Both government-wide financial statements (statement of net position and statement of activities) 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 (business-type activities). The governmental activities of the District include general and administrative activities and fire and emergency medical services.

Government-Wide Financial Highlights

- The District's net position at the end of 2024 is \$1,138,753.
- The District's cash and cash equivalents at the end of 2024 was \$50,197.
- Total revenues were \$881,545 in 2024.
- The District purchased \$327,593 worth of new vehicles and equipment in 2024.

**FOUR MILE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant funds, not the District as a whole. The District has only one fund, the General Fund, which is a governmental fund.

General Fund

The District's basic services are included in this governmental fund, which focuses on (1) how money flows into and out of the fund and (2) the balances left at year end that are available for spending or reserves. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's programs.

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. Thus, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District. The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided to allow for a direct comparison to each budget line item and to demonstrate compliance with the budget. In addition to this, a schedule of the District's proportionate share of the net pension liability and a schedule of the employer's contributions have been provided.

**FOUR MILE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position - Two-Year Comparison

	2024	2023 (Unaudited)	Change
Assets			
Current Assets	\$ 933,211	\$ 891,669	\$ 41,542
Capital Assets, Net	808,812	660,069	148,743
Total Assets	<u>1,742,023</u>	<u>1,551,738</u>	<u>190,285</u>
Deferred Outflows of Resources	<u>74,170</u>	<u>106,485</u>	<u>(32,315)</u>
Total Assets and Deferred Outflows	<u>\$ 1,816,193</u>	<u>\$ 1,658,223</u>	<u>\$ 157,970</u>
Liabilities			
Current Liabilities	\$ 23,686	\$ 49,530	\$ (25,844)
Net Pension Liabilities	-	16,344	(16,344)
Total Liabilities	<u>23,686</u>	<u>65,874</u>	<u>(42,188)</u>
Deferred Inflows of Resources			
Pension	20,713	2,006	18,707
Unearned Tax Revenue	633,041	653,581	(20,540)
Total Liabilities and Deferred Inflows	<u>\$ 677,440</u>	<u>\$ 721,461</u>	<u>\$ (44,021)</u>
Net Position			
Net Investment in Capital Assets	\$ 808,812	\$ 660,069	\$ 148,743
Restricted	24,839	23,300	1,539
Unrestricted	<u>305,102</u>	<u>253,393</u>	<u>51,709</u>
Total Net Position	<u>\$ 1,138,753</u>	<u>\$ 936,762</u>	<u>\$ 201,991</u>

Comments - Assets

In 2024, the District purchased the following major capital assets:

- Brush truck
- Brush Chipper
- 2,000 gallon water tank

Comments - Liabilities

The District had short term liabilities consisting primarily of accounts payable and credit card payments due as of December 31, 2024.

**FOUR MILE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Condensed Statement of Activities - Two-Year Comparison

	2024	2023 (Unaudited)	Change
Expenses			
Program Expenses	\$ 679,554	\$ 481,949	\$ 197,605
Revenues			
Program Revenues			
Wildland Fire	50,374	82,869	(32,495)
General Revenues			
Property Taxes	717,583	435,559	282,024
Specific Ownership Tax	62,316	46,952	15,364
Investment Earnings	15,478	14,379	1,099
Grants, Donations, and Misc.	33,294	65,376	(32,082)
Gain on Disposal of Capital Assets	2,500	7,634	(5,134)
Total Revenues	881,545	652,769	228,776
Change in Net Position	201,991	170,820	31,171
Net Position - Beginning of Year	936,762	765,942	170,820
Net Position - End of Year	\$ 1,138,753	\$ 936,762	\$ 201,991

Comments - Expenses

District expenses increased due to rising insurance premiums to cover additional vehicles, payroll increases to recruit and retain qualified firefighters along with an increase in wildland fire deployments.

Comments - Revenues

Revenues increased primarily due to an increase in property tax valuations along with one-time payments from the state of Colorado under Senate Bill 22-238.

GENERAL FUND FINANCIAL ANALYSIS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District accounts for all activity in a single general fund.

As discussed on page ii, the General Fund is the operating fund of the District. The ending fund balance was \$276,484 as reflected on page 6 of the financial statements. Of this amount, \$24,839 was restricted as a required reserve fund under requirements of the Colorado Taxpayer Bill of Rights (TABOR).

**FOUR MILE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024**

BUDGETARY HIGHLIGHTS

The District's 2024 final budget had total revenue of \$854,346. The District ended the year with total actual revenue of \$879,045 representing a favorable variance of \$24,699. This variance was caused due to unbudgeted reimbursements from wildland fire deployments and property tax backfill received from the State pursuant to SB22-238 and SB23B-001.

The District's final budget had total expenditures of \$1,085,061. The District ended the year with actual audited expenditures of \$857,707. Actual expenditures had a favorable variance against budgeted expenditures of \$227,354. This variance was caused by the additional payroll for wildland fire deployments and capital asset purchases which was lower than anticipated when accounting for a \$300,000 contingency estimate for additional wildland fire expenses that did not occur.

	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Tax Revenue	\$ 653,546	\$ 779,899	\$ 126,353
Grants, Donations, and Other	195,300	33,294	(162,006)
Wildland Firefighting	-	50,374	50,374
Investment Earnings	5,500	15,478	9,978
Total Revenues	854,346	879,045	24,699
Expenditures			
Elections	9,100	8,984	116
Fees	17,384	18,945	(1,561)
Training and Association	5,000	16,610	(11,610)
Public Fire Education	1,500	4,025	(2,525)
Maintenance and Repairs	48,300	46,577	1,723
Insurance	35,200	33,189	2,011
Firefighting Expenditures	26,000	20,417	5,583
Office Management	14,800	36,839	(22,039)
Professional Fees	25,000	41,409	(16,409)
Telephone	3,000	3,317	(317)
Fire Stations	44,225	17,807	26,418
EMS	17,000	12,028	4,972
Payroll	196,052	272,499	(76,447)
Employee Benefits	2,500	-	2,500
Capital Outlay	340,000	322,552	17,448
Contingency	300,000	-	300,000
Miscellaneous	-	2,509	(2,509)
Total Expenditures	1,085,061	857,707	227,354
Other Financing Sources			
Proceeds from Sale of Capital Assets	-	21,250	21,250
Net Change in Fund Balance	(230,715)	42,588	273,303
Beginning Fund Balance, January 1	(1,203,712)	233,896	1,437,608
Ending Fund Balance, December 31	\$ (1,434,427)	\$ 276,484	\$ 1,710,911

**FOUR MILE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Four Mile Fire Protection District, 8437 Teller County Road 11, Florissant, CO 80816.

FINANCIAL STATEMENTS

**FOUR MILE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
December 31, 2024**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 50,197
Cash Held by County Treasurer	4,960
Property Tax Receivable	633,041
Wildland Fire Receivable	50,375
Investments	190,550
Prepaid Expenses	4,088
Land	17,416
Capital Assets, Net of Depreciation	791,396
Total Assets	\$ 1,742,023
Deferred Outflows of Resources	
Pension	\$ 74,170
Total Deferred Outflows of Resources	\$ 74,170
Liabilities	
Accounts Payable	\$ 23,686
Total Liabilities	\$ 23,686
Deferred Inflows of Resources	
Pension	\$ 20,713
Unearned Tax Revenue	633,041
Total Deferred Inflows of Resources	\$ 653,754
Net Position	
Net Investment in Capital Assets	\$ 808,812
Restricted	24,839
Unrestricted	305,102
Total Net Position	\$ 1,138,753

See notes to financial statements.

**FOUR MILE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024**

Functions/Programs	Program Revenues				Net Program Expense
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Elections	\$ 8,984	\$ -	\$ -	\$ -	\$ (8,984)
Fees	18,945	-	-	-	(18,945)
Training	16,610	-	-	-	(16,610)
Public Fire Education	4,025	-	-	-	(4,025)
Maintenance and Repairs	46,577	-	-	-	(46,577)
Insurance	33,189	-	-	-	(33,189)
Firefighting Expendables	20,417	-	-	-	(20,417)
Office Management	36,839	-	-	-	(36,839)
Professional Fees	41,409	-	-	-	(41,409)
Telephone	3,317	-	-	-	(3,317)
Fire Stations	17,807	-	-	-	(17,807)
EMS	12,028	-	-	-	(12,028)
Payroll	261,839	50,374	-	-	(211,465)
Interest	61	-	-	-	(61)
Miscellaneous	2,448	-	-	-	(2,448)
Depreciation	155,059	-	-	-	(155,059)
Total Governmental Activities	\$ 679,554	\$ 50,374	\$ -	\$ -	(629,180)
General Revenues					
General Property Tax					717,583
Specific Ownership Tax					62,316
Interest					15,478
Grants, Donations, and Misc.					33,294
Gain on Disposal of Capital Assets					2,500
Total General Revenues					831,171
Change in Net Position					201,991
Net Position - Beginning (Restated)					936,762
Net Position - Ending					\$ 1,138,753

See notes to financial statements.

**FOUR MILE FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND – GENERAL FUND
December 31,2024**

Assets

Cash and Cash Equivalents	\$ 50,197
Cash Held by County Treasurer	4,960
Property Tax Receivable	633,041
Wildland Fire Receivable	50,375
Investments	190,550
Prepaid Expenses	<u>4,088</u>
 Total Assets	 <u><u>\$ 933,211</u></u>

Liabilities

Accounts Payable	<u>\$ 23,686</u>
 Total Liabilities	 <u>23,686</u>

Deferred Inflow of Resources

Unearned Tax Revenue	<u>633,041</u>
 Total Deferred Inflow of Resources	 <u>633,041</u>

Fund Balance

Nonspendable	4,088
Restricted	24,839
Unassigned	<u>247,557</u>
 Total Fund Balance	 <u>276,484</u>

Total Liabilities, Deferred Inflow of Resources, and Fund Balance	<u><u>\$ 933,211</u></u>
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**FOUR MILE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2024**

Total Fund Balance - Governmental Fund	\$	276,484
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Amounts reported for governmental activities in the statement of net position are different because:

The net pension asset and related deferred items are not available for current period expenditures and are therefore not reported in the funds.

Deferred Outflows of Resources - Pension		74,170
Deferred Inflows of Resources - Pension		(20,713)

Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.

Land		17,416
Capital Assets		1,655,680
Accumulated Depreciation		(864,284)

Total Net Position - Governmental Activities	\$	<u>1,138,753</u>
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**FOUR MILE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
Year Ended December 31, 2024**

Revenues

General Property Tax	\$	717,583
Specific Ownership Tax		62,316
Wildland Firefighting		50,374
Grants, Donations, and Misc		33,294
Investment Earnings		15,478

Total Revenues

879,045

Expenditures

Current

Elections		8,984
Fees		18,945
Training		16,610
Public Fire Education		4,025
Maintenance and Repairs		46,577
Insurance		33,189
Firefighting Expendables		20,417
Office Management		36,839
Professional Fees		41,409
Telephone		3,317
Fire Stations		17,807
EMS		12,028
Payroll		272,499
Interest		61
Miscellaneous		2,448
Capital Purchases		322,552

Total Expenditures

857,707

Other Financing Sources

Proceeds from Disposal of Assets		<u>21,250</u>
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Total Other Financing Sources

21,250

Net Change in Fund Balance

42,588

Fund Balance - Beginning (Restated)

233,896

Fund Balance - Ending

\$ 276,484

See notes to financial statements.

**FOUR MILE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
December 31, 2024**

Total Net Change in Fund Balance - Governmental Funds	\$	42,588
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Amounts reported for governmental activities in the statement of activities are different because:

Changes in the net pension asset and related deferrals do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		10,660
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The detail of depreciation and capital outlays follows:

Capital outlay		322,552
Depreciation expense		(155,059)
Gain on disposal of capital assets		2,500

The proceeds received on the disposal of assets provides current financial resources to governmental funds, while the purchase of assets consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position. The detail of disposal of assets follows:

Proceeds on disposal of assets		<u>(21,250)</u>
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Change in Net Position - Governmental Activities	\$	<u>201,991</u>
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NOTES TO FINANCIAL STATEMENTS

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Four Mile Fire Protection (District) have been prepared in conformity with generally accepted accounting principles (“GAAP”) applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting policies that are described below. The following is a summary of the significant accounting policies.

Reporting Entity

The District is a quasi-municipal corporation, governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection services and emergency medical services to citizens and property located within their jurisdiction.

The District’s combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District’s reporting entity, as set forth in Section 2100 of GASB’s *Codification of Government Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The District holds the corporate powers of the organization.
- The District appoints a voting majority of the organization's board.
- The District is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the District.
- There is fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units, nor is it a component unit of another unit.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial information of the primary government. The statement of net position presents the financial condition of the governmental activities at year-end. The statement of activities presents a comparison between direct expenses and the program revenues for each program or function of the District’s governmental activities. Program expenses are those that are specifically associated with a service, program, or department, and therefore, are clearly identifiable to a particular function. 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. Other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balances, revenues and expenditures-expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

The District reports the following major fund:

Governmental Fund

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statement

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 revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. 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. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

This reporting approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Budget

In accordance with the State Budget Law, the District's Board of Directors hold a public hearing 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 level and lapses at year end. The District's Board of Directors can modify the budget line item within the total appropriation without notification.

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.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by State law for all funds. By October 15, the Fire Chief submits to the District's Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end. Prior to December 31, the budget is adopted by formal resolution.
- B. Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- C. Expenditures may not legally exceed appropriations at the fund level.
- D. Revisions that alter the total expenditures of any fund must be approved by the District's Board of Directors.
- E. Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District's Board of Directors.

Budget Basis of Accounting

The modified accrual basis of accounting is used for budget purposes, as well as financial reporting in the general fund, except for capital lease refinancing. If the refinance does not generate or use cash proceeds, the refinance is not budgeted.

Cash and Cash Equivalents

Cash and invested cash are carried at fair value. The District considers all highly liquid investments, including restricted assets, with a maturity of three months or less to be considered cash equivalents.

Property Taxes Receivable

Taxes receivable include current year property taxes, which become payable January 1 of the following year.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets

Capital assets are reported in the government-wide statements only. All capital assets are capitalized at cost (or estimated historical cost). Donated capital assets are recorded at their fair market values as of the dates received.

The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized and the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. All reported capital assets are depreciated, except for land and construction in progress.

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Revenues

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include: 1) timing requirements, which specify the year when the resource is required to be used, or the fiscal year when use is first permitted, 2) matching requirements, in which the District must provide local resources to be used for a specific purpose, and 3) expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are reported as a receivable and a deferred inflow of resources when the levy is certified and as revenue when due for collection in the subsequent year. Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the El Paso County Assessor 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 December 31 of each year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The deferred inflow of resources is recorded as revenue in the year it is available or collected.

Expenses/Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

Net Position Classifications

Net position classification in the government-wide financial statements are as follows:

Net Investment in Capital Assets

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted Net Position

Consists of net position with constraints placed on the use either by external groups, such as creditors, or laws or regulations of other governments.

Unrestricted Net Position

Includes all other assets that do not meet the definition of "restricted" or "net investment in capital assets."

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances

The governmental fund reports fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balance descriptions are presented below:

Nonspendable - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories, prepaid items, and long-term fund advances.

Restricted - includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.

Committed - includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the District's Board of Directors. Commitments may be modified or changed only by the District's Board of Directors approving a new resolution. Commitments also include contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by the District's Board of Directors to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.

Unassigned - this is the residual classification for the general fund.

As of December 31, 2024, the District had nonspendable, restricted, and unassigned fund balances.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

For 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Adoption of this new standard had no material impact on the District's financial statements.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The State Regulatory Commissions 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.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure the District's deposits will not be returned to it. The District does not currently have a policy related to custodial credit risk.

As of December 31, 2024, deposits with a bank balance totaled \$247,147. Of that amount, \$56,598 was covered by federal depository insurance and the remainder was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

Credit Risk

The District has not adopted a formal investment policy; however, the District follows State Statutes regarding investments. 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 securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain securities lending agreements
- Certain certificates of participation
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The COLOTRUST PLUS+ is rated AAAM by Standard and Poor's and the weighted average maturity to reset (WAM)(R) is kept under 60 days.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

As of December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Restriction</u>	<u>Amount</u>
COLOTRUST PLUS+	Weighted Average under 60 Days	None	<u>\$ 190,550</u>

Certain investments are required to be measured at fair value on a recurring basis and categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not categorized within the fair value hierarchy. Instead, the District's investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at year-end for which the investment valuations were determined as follows:

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios.

Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of COLOTRUST to maintain a NAV of \$1 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1 per share. The investment pool financial statements can be obtained at www.colotrust.com.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consists of billings to the state of Colorado for reimbursement of wildland firefighting services performed. Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability. There was no allowance for doubtful accounts as of December 31, 2024 and all amounts have been collected as of the date of this report.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 - CAPITAL ASSETS

Capital assets as of December 31, 2024 consist of:

<u>Type</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Useful Lives</u>
Land	\$ 17,416	\$ -	\$ 17,416	Undefined
Land Improvements	11,516	(1,581)	9,935	15 years
Equipment	528,345	(317,703)	210,642	7 years
Vehicles	907,223	(427,067)	480,156	5 years
Buildings	208,596	(117,933)	90,663	30 years
	<u>\$ 1,673,096</u>	<u>\$ (864,284)</u>	<u>\$ 808,812</u>	

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated				
Land	\$ 17,416	\$ -	\$ -	\$ 17,416
Total Capital Assets, Not Being Depreciated	<u>17,416</u>	<u>-</u>	<u>-</u>	<u>17,416</u>
Capital Assets, Being Depreciated				
Land Improvements	11,516	-	-	11,516
Equipment	495,937	57,408	(25,000)	528,345
Vehicles and Apparatus	642,079	265,144	-	907,223
Buildings	208,596	-	-	208,596
Total Capital Assets, Being Depreciated	<u>1,346,612</u>	<u>322,552</u>	<u>(25,000)</u>	<u>1,644,164</u>
Less: Accumulated Depreciation	<u>(715,475)</u>	<u>(155,059)</u>	<u>6,250</u>	<u>(864,284)</u>
Capital Assets, Being Depreciated, Net	<u>631,137</u>	<u>167,493</u>	<u>(18,750)</u>	<u>779,880</u>
Total Capital Assets, Net	<u>\$ 648,553</u>	<u>\$ 167,493</u>	<u>\$ (18,750)</u>	<u>\$ 797,296</u>

Depreciation expense for the year ended December 31, 2024 was \$155,059.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 - NET POSITION AND FUND BALANCES

The District has a net position consisting of three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted.

The *net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024, the District had net investment in capital assets totaled \$808,812.

The *restricted* component of net position includes net assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2024, the District had restricted net position totaled \$24,839.

The *unrestricted* component of net position is the net amount of assets that do not meet the definition of net investment in capital assets or restricted net position. The District's unrestricted net position as of December 31, 2024, totaled \$305,102.

As of December 31, 2024, the fund balances were comprised of the following amounts:

Nonspendable		
Prepaid Expenses	\$	4,088
Restricted		
Emergency (TABOR)		24,839
Unassigned		247,557
	\$	276,484

NOTE 6 - FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN

Plan Description

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

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

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 - FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Plan Description (Continued)

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

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

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

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

Description of Benefits

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

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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

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

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

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 - FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Description of Benefits (Continued)

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

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

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member. Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

A member may elect to participate in the DROP after reaching eligibility for Normal Retirement, Early Retirement, or Vested Retirement and age 50. A member can continue to work while participating in the DROP but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in DROP, the member continues to make pension contributions, which are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2023 was \$125,956,486. This amount was not included in the Plan Net Position.

Contributions

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

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 - FIRE & POLICE STATEWIDE 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.

In 2023, the total minimum required member and employer contribution rate was 21.7 percent. Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 10.75 percent.

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

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 is 14.24 percent.

The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2023 was 13.90 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

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

Pension expense for the District was \$14,027 for the year ended December 31, 2024.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 - FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability/Asset

At December 31, 2024, the District had no net pension asset or liability.

The net pension liability/asset was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of January 1, 2023. The District's proportion of the net pension liability/asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating departments, actuarially determined. At December 31, 2023, the District's proportion was .013173 percent compared to .018414 percent measured as of December 31, 2022.

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
Differences Between Actual and Expected Experience	\$ 25,088	\$ 1,205
Changes in Assumptions	14,552	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	18,011	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	19,508
District Contributions Subsequent to Measurement Date	16,519	-
Totals	\$ 74,170	\$ 20,713

The \$16,519 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an adjustment against 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:

Years Ending December 31,	Amortization
2025	\$ 6,146
2026	10,794
2027	16,977
2028	(800)
2029	(146)
Thereafter	3,967
	\$ 36,938

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 - FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions

The actuarial valuations for the Plan were used to determine the total pension liability and actuarially determined contributions for the measurement year ended December 31, 2023. The valuation used the following actuarial assumption and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2024	January 1, 2023
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, Net*	7.00%	7.00%
Projected Salary Increases*	4.25% – 11.25%	4.25% – 11.25%
Cost of Living Adjustment (COLA)	0.00%	0.00%
*Includes Inflation at	2.50%	2.50%

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

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection 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).

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 - FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
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	100%	

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).

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 - FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Discount Rate (Continued)

For the 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 the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability/(Asset)	\$ 73,866	\$ -	\$ -

The net pension liability/asset of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of \$2,586 at a 7.00 percent discount rate and \$65,913 at an 8.00 percent discount rate.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

NOTE 7 - STATEWIDE DEATH AND DISABILITY PLAN

Plan Description

The District contributes to the Statewide Death and Disability Plan (D&D Plan) administered by the FPPA. The D&D Plan is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the D&D Plan may include part-time police and fire employees. Contributions to the D&D Plan are used for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Defined Benefit System and the D&D Plan. The D&D Plan was established in 1980 pursuant to Colorado Revised Statutes and currently has 270 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2022, who are covered by Social Security and have elected supplementary coverage by the D&D Plan.

The D&D Plan assets are included in the Fire & Police Members' Benefit Investment Fund Long-Term Pool. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7.0%.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 - STATEWIDE DEATH AND DISABILITY PLAN (CONTINUED)

The D&D Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire but were still working.

Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease. The FPPA issues a publicly available financial report that may be obtained at <https://www.fppaco.org>.

Contributions

Prior to 1997, the D&D Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. During 2022, C.R.S. 31-31-811 was amended to provide additional payments from the State to the Plan on July 1, 2022 and July 1, 2023 of \$6,650,000 each.

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the D&D Plan as of January 1, 1997. Effective January 1, 2022, the contribution rate increased to 3.2 percent of base salary and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member or may be split between the employer and the member as determined at the local level.

District contributions to the D&D plan were \$5,947 for the year ended December 31, 2024.

Benefits Provided

Benefits are established by Colorado Statute.

If a member dies prior to normal retirement eligibility while off-duty, the surviving spouse shall receive a benefit equal to 40 percent of the monthly base salary paid to the member prior to death. An additional 10 percent of base salary is payable if a surviving spouse has two or more dependent children. If there is no surviving spouse, but the member had one or two dependent children, the benefit payable is 40 percent of the member's monthly base salary. If there is no spouse but three or more dependent children, the benefit equals 50 percent of the member's monthly base salary.

As of October 15, 2002, if a member dies prior to retirement while on-duty the surviving spouse shall receive a benefit equal to 70 percent of the member's monthly base salary regardless of the number of dependent children. If there is no spouse but one or more dependent children are living in the member's household, the benefit equals 70 percent of the member's monthly base salary. If there are dependent children without a surviving spouse, and they do not live in the household, the benefit is 40 percent for the first child and 15 percent for each additional child, but not greater than 70 percent in total of the member's monthly base salary. Benefits will be paid to the spouse until death and to dependent children until age 23, death, marriage, or other termination of dependency. Benefits may be extended for an incapacitated child.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 - STATEWIDE DEATH AND DISABILITY PLAN (CONTINUED)

For purposes of the D&D Plan, a spouse includes a partner in a civil union. These benefits are offset by Money Purchase account balances, Stabilization Reserve Accounts (SRA), and Deferred Retirement Option Plan (DROP) accounts, converted to annuities.

The D&D Plan provides the members with two types of disability: occupational and total.

Occupational Disability means a member is unable to perform their assigned duties due to a medical condition that is expected to last at least one year. Assigned duties are those specific tasks or job duties that a member is required to regularly perform. Within the Occupational Disability category, there are two sub-categories: Temporary Occupational Disability and Permanent Occupational Disability.

Temporary Occupational Disability is an occupational disability for which there is prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy, or other means.

Permanent Occupational Disability is an occupational disability caused by a condition that is permanent or degenerative and for which there is no prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy, or other means.

Total Disability means the member is unable to engage in any substantial gainful activity due to a medically determined physical or mental impairment that may be expected to result in death or that has lasted or is expected to last at least one year.

A member who becomes disabled prior to normal retirement eligibility shall be eligible for disability benefits. If the member is totally disabled, the member shall receive 70 percent of their base salary preceding disability.

If the member is occupationally disabled and their disability is determined to be a permanent occupational disability, the member shall receive 50 percent of their base salary preceding disability regardless of their family status. If the member is occupationally disabled and the disability is determined to be a temporary occupational disability, the member shall receive 40 percent of their base salary preceding disability regardless of their family status for up to five years.

Total disability and permanent occupational disability benefits are offset by the Money Purchase, SRA, or DROP balances, converted to annuities. For members who also participate in Social Security, disability benefits are reduced by Social Security disability benefits derived from employment as a member, if applicable.

Temporary Occupational Disability benefits are payable for a maximum of five years. Permanent Occupational and Total Disability benefits are payable as long as the member remains disabled.

A cost of living adjustment of up to 3 percent may be granted to members and spouses by the Fire & Police Pension Association Board of Directors annually. Totally disabled members and their beneficiaries receive an automatic benefit adjustment each year of 3 percent. The benefit adjustment is effective October 1. A cost of living adjustment may begin after receiving benefits for at least 12 calendar months prior to October 1.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 - TAX, SPENDING, REVENUE, AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures, plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserve funds. The reserve fund must equal at least 3 percent of Fiscal Year Spending (excluding bonded debt service). TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The statement of net position indicates that an amount of \$24,839 is reserved for emergencies.

TABOR is complex and subject to interpretation. Some provisions of TABOR are unclear and will require further judicial interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs, or to engage in any subsequent financing activities.

The District believes it has complied with all aspects of the TABOR amendment.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District maintains commercial insurance for most risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 - RESTATEMENT OF BEGINNING BALANCES

The District has restated the beginning balances of net position and fund balance for matters relating to understatement of assets, liabilities, deferred outflows, and deferred inflows of resources on the statement of financial position and the governmental fund balance sheet. During 2023, assets, liabilities, deferred outflows of resources, and deferred inflows of resources were not properly stated, resulting in an understated ending net position and fund balance. Therefore, the net position and fund balance as of December 31, 2023, increased by \$125,666 and \$82,869, respectively.

The following table summarizes the changes to the District's net position as a result of error corrections.

	<u>Previously Reported</u>	<u>Net Change</u>	<u>As Restated</u>
Governmental Activities			
Beginning Net Position	\$ 811,096	\$ 125,666	\$ 936,762
General Fund			
Beginning Fund Balance	\$ 151,027	\$ 82,869	\$ 233,896

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 2025, the date on which the financial statements were available to be released.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

FOUR MILE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND (UNAUDITED)
Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Tax Revenue	\$ 653,546	\$ 653,546	\$ 779,899	\$ 126,353
Grants, Donations, and Other	195,300	195,300	33,294	(162,006)
Wildland Firefighting	-	-	50,374	50,374
Investment Earnings	5,500	5,500	15,478	9,978
Total Revenues	854,346	854,346	879,045	24,699
Expenditures				
Elections	-	9,100	8,984	116
Fees	17,384	17,384	18,945	(1,561)
Training	5,000	5,000	16,610	(11,610)
Public Fire Education	1,500	1,500	4,025	(2,525)
Maintenance and Repairs	48,300	48,300	46,577	1,723
Insurance	35,200	35,200	33,189	2,011
Firefighting Expenditures	26,000	26,000	20,417	5,583
Office Management	14,800	14,800	36,839	(22,039)
Professional Fees	25,000	25,000	41,409	(16,409)
Telephone	3,000	3,000	3,317	(317)
Fire Stations	44,225	44,225	17,807	26,418
EMS	17,000	17,000	12,028	4,972
Payroll	196,052	196,052	272,499	(76,447)
Employee Benefits	2,500	2,500	-	2,500
Capital Outlay	340,000	340,000	322,552	17,448
Contingency	300,000	300,000	-	300,000
Miscellaneous	-	-	2,509	(2,509)
Total Expenditures	1,075,961	1,085,061	857,707	227,354
Other Financing Sources				
Proceeds from Sale of Capital Assets	-	-	21,250	21,250
Total Other Financing Sources	-	-	21,250	21,250
Net Change in Fund Balance	(221,615)	(230,715)	42,588	273,303
Beginning Fund Balance, January 1	(1,203,712)	(1,203,712)	233,896	1,437,608
Ending Fund Balance, December 31	\$ (1,425,327)	\$ (1,434,427)	\$ 276,484	\$ 1,710,911

See Independent Auditors' Report and Notes to Required Supplementary Information

**FOUR MILE FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET) FIRE POLICE STATEWIDE DEFINED BENEFIT PLAN (UNAUDITED)
Year Ended December 31,**

	2023	2022	2021
District's Proportion of the Net Pension Liability/(Asset)	0.013%	0.018%	0.014%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ -	\$ 16,344	\$ (74,455)
District's Covered Payroll	\$ 165,190	\$ 138,751	\$ 160,200
District's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	0.00%	11.78%	-46.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	100.00%	97.60%	116.20%

The amounts presented for each fiscal year were determined as of the District's measurement date (the calendar year end that occurred one year prior to the fiscal year-end). Information is only available beginning in fiscal year 2021.

**FOUR MILE FIRE PROTECTION DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
Fiscal Years Ended December 31,**

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2023	\$ 16,519	\$ 16,519	\$ -	\$ 165,190	10.0%
2022	\$ 13,181	\$ 13,181	\$ -	\$ 138,751	9.5%
2021	\$ 14,418	\$ 14,418	\$ -	\$ 160,200	9.0%

See independent auditors' report and notes to required supplementary information.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

FOUR MILE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
December 31, 2024

BUDGETARY INFORMATION

The District adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

The proposed budget is submitted to the Board of Directors in October for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. The District adopts budgets for all funds. The general fund uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets.

Expenditure estimates in the annual budget are enacted into law by the passage of appropriation resolutions. Budgetary control exists at the total fund level and encumbrance accounting is not employed as a part of the budgetary process.

PENSION INFORMATION

Changes in Plan Provisions

The plan provisions have not changed since the prior valuation. The member contribution rate increased in 2024 as a result of member election.

Changes in Actuarial Assumptions

Since the prior valuation, the FPPA Board of Directors adopted new assumptions based on the recommendations in the 2022 Actuarial Experience Study. The changes, effective January 1, 2023, are summarized below:

- Mortality rates and mortality improvement were updated to reflect recently published tables.
- The step-rate increased portion of the salary scale was increased by .50% per year for the first 4 years of a member's career and .25% for years 5 through 14 in accordance with the observed experience.
- The general wage inflation assumption was reduced from 3.50% to 3.00%.
- Total disability rates were increased 50% for members covered by a money purchase plan.
- A 4% load was added to occupational disability benefits in place for five years or less.
- Minor adjustments were made to termination and retirement rates to reflect observed experience.

Benefit Adjustments

Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors' discretion and can range from 0% to 3%. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.