



FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2024

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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Front Range Fire Rescue Fire Protection District
Johnstown, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Front Range Fire Rescue Fire Protection District as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Front Range Fire Rescue and Fire Protection 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, each major fund, and the aggregate remaining fund information of Front Range Fire Rescue Fire Protection 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 Front Range Fire Rescue Fire Protection 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Front Range Fire Rescue Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Front Range Fire Rescue Fire Protection 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 Front Range Fire Rescue Fire Protection District's ability to continue as a going concern for a reasonable period of time.

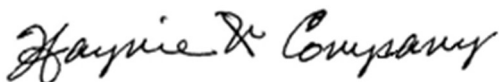
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the General Fund, Schedule of Contributions and Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Front Range Fire Rescue Fire Protection District's financial statements as a whole. The Individual Budgetary Comparison Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Littleton, Colorado
July 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Front Range Fire Rescue Fire Protection District (the "District"), we offer readers of these financial statements, this narrative overview and analysis of the financial activities of the District's performance during the fiscal year ending December 31, 2024. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Background Information

The District was formed in 2018, however has roots going back to the early 1900s. The District was formed when the Johnstown Fire Protection District and Milliken Fire Protection District combined. The predominant fund approach for the District is comprised of four basic funds, the General, Capital, Impact Fees and Volunteer Pension Funds.

The District provides fire and emergency response as well as community risk reduction services to over 29,000 residents and business within the District's borders with currently three stations located in Johnstown, Hill n Park and Milliken.

Financial Highlights

- The total assets and deferred outflows of Front Range Fire Rescue were \$44,888,442 at the close of the fiscal year. The total assets and deferred outflows exceeded liabilities and deferred inflows by \$23,950,863. Of this amount \$10,654,736 represents the balance of the unrestricted net position.
- The District realized a \$4,998,878 increase in fund balances during the fiscal year. The increase consists of excess revenues and other financing sources over expenditures. The increase was primarily driven from an increase in property tax revenue, impact fees, and interest earnings offset by expenditures.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$6,071,682. The change in fund balance for the general fund was an increase of \$2,605,240 for the fiscal year. This is attributable to the additional tax revenue received due to an increase in the assessed valuation.
- Property Tax Receivables decreased by \$1,686,582. The decrease is due to the decrease in assessed valuation for the fiscal year 2025, which decreased by \$151,514,111 or 12.3%.
- Capital Assets increased by \$2,055,824, which was primarily driven by the Station 1 remodel in Johnstown.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the District. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial

statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *Government-wide financial statements* present the financial picture of the District from the economic measurement resources focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term debt). They are intended to provide a broad overview in a manner similar to a private sector business.

The *Statement of Net Position* presents information of all the assets and deferred outflows and liabilities and deferred inflows of the District, with the difference between the two being 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 net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 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 maintains three (3) individual governmental funds and one (1) fiduciary fund, Pension Trust Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, the impact fee fund, and the volunteer pension fund, which are all considered to be major funds. The District adopts an annual budget to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and

expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the budget and can be found on pages 32, and 37-39 of this report. The basic governmental fund financial statements can be found on pages 3 and 4 of this report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Governmental fund financial statements.

Other Information

In addition, information on the District's participation in an agent retirement plan can be found on pages 21-31 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Front Range Fire Rescue, assets and deferred outflows exceeded liabilities and deferred inflows by \$23,950,863 at the close of the most recent fiscal year. The largest portions of the District's net position are its unrestricted (44%) and its net investment in capital assets (43%).

Net investment in capital assets consists of capital assets (e.g., land, construction in progress, buildings, machinery, vehicles, and equipment); less any related debt still outstanding used to acquire those assets, adjusted for unspent proceeds. 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, since the capital assets themselves cannot be used to liquidate these liabilities.

The unrestricted portion of net assets consist of unrestricted liquid assets for which the board of directors has the authority to alter this designation of funds.

The following table contains a comparative analysis between the current and prior fiscal year for the government-wide statements.

	Governmental Activities		Increase/ Decrease
	2024	2023 (as restated)	
Cash and Investments	\$ 15,266,541	\$ 9,981,741	\$ 5,284,800
Other assets	12,484,490	14,727,426	(2,242,936)
Capital assets, net	13,747,901	11,692,076	2,055,825
Total Assets	41,498,932	36,401,243	5,097,689
Deferred outflows of resources	3,389,510	3,570,463	(180,953)
Current liabilities	1,566,314	1,007,154	559,160
Long-term liabilities	6,996,844	6,837,155	159,689
Total liabilities	8,563,158	7,844,309	718,849
Deferred inflows of resources	12,374,421	14,213,171	(1,838,750)
Net investment in capital assets	10,411,062	7,966,649	2,444,413
Restricted	2,885,065	1,706,119	1,178,946
Unrestricted	10,654,736	8,241,456	2,413,280
Total net position at December 31,	23,950,863	17,914,224	6,036,639

During 2024, cash and investments increase \$5,284,800 which is attributable to the increase in property tax collections due to an increase in assessed value for 2024, while continuing to manage expenses. This will help the District maintain cash reserves with market uncertainty and manage future capital needs of the organization.

In addition, there was a decrease in other assets, which was comprised of a decrease in property taxes receivable. Property taxes receivable decreased due to lower in assessed value growth in Weld County of 12.7% and an increase in Larimer County of 7.1% for 2025. The decrease in Weld County was driven by a decrease in value in the oil and gas category of 20%.

There was an increase in capital assets for 2024, which was due to incurred construction costs for the remodel of Fire Station Number 1 and the purchase of new vehicles and other equipment. The construction of Fire Station Number 1 was completed in April 2024.

Governmental Activities

Governmental activities net position increased by \$6,036,639. Key elements of this increase are reported below:

	Governmental Activities		
	2024	2023 (as restated)	Increase/ Decrease
<u>Revenues</u>			
Program revenues:			
Charge for services	235,913	228,368	7,545
Operating Grants and Contributions	2,185,534	597,399	1,588,135
General revenues:			
Property Taxes	14,478,808	6,960,171	7,518,637
Interest	573,661	320,512	253,149
Net Realized/Unrealized Gains (Losses) on Investments	-	45,969	(45,969)
Gain on Sale of Assets	-	4,000	(4,000)
Other	25,000	16,174	8,826
Non-Operating Revenues:			
Insurance proceeds	274,485	-	274,485
Total Revenues	17,773,402	8,172,593	9,600,809
<u>Expenses</u>			
General government	\$ 11,569,308	\$ 6,911,765	\$ 4,657,543
Interest on Long-Term debt	167,456	43,545	123,911
Total Expenses	11,736,763	6,955,310	4,781,453
Increase in Net Position	\$ 6,036,639	\$ 1,217,283	\$ 4,819,356
Beginning Net Position	17,914,224	16,696,941	1,217,283
Ending Net Position	\$ 23,950,863	\$ 17,914,224	\$ 6,036,639

Overall revenues increased by \$9,600,809 while expenses increased by \$4,781,453. Most of the revenue increase was from an increase in property tax revenue and operating grants and contributions. The property tax revenue increase was driven by an increase in assessed value in Weld County and Larimer County. Total assessed value in Weld County increased \$626,181,550 or 107.8% and Larimer County increased \$5,835,227 or 123.7%.

Expenses increased from prior year due to personnel expenses. During 2024, the District hired additional personnel to support the continued growth in the region.

Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$14,814,225, an increase of \$4,998,879 in comparison with the prior year's balance. The increase was primarily driven from an increase in property tax revenue and interest earnings offset by expenditures.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, the spendable fund balance of the general fund was \$6,071,682. As a measure of the general fund's liquidity, it may be useful to compare spendable fund balance to total fund budgeted expenditures. Spendable fund balance represents 58.53% of the 2025 general fund expenditures of \$10,372,857.

Budgetary Highlights

During 2024, total revenues in the general fund were \$822,408 more than final budgeted revenues while total expenditures were \$801,654 under budgeted expenditures. The positive revenue variance resulted primarily from grant revenues as a result of the Knox Box Grant from FEMA that were greater than budget. The expenditure variance was primarily due to a decrease in costs in personnel expenditures due to timing of hiring of new personnel offset by an increase in costs related to the Knox Box Grant from FEMA.

Capital Asset and Debt Administration

Capital assets – The District's investment in capital assets as of December 31, 2024, totals \$13,747,901 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, improvements other than buildings, buildings and improvements, vehicles, furniture, and equipment.

Outlays for capital assets during 2024 were \$2,725,804 which consisted primarily of the remodel of Fire Station Number 1 construction costs.

Fund balance in the Capital Project fund increased \$1,305,196 for the year ending December 31, 2024. This increase was due to the contributions from the district of \$1,994,806, offset by capital asset purchases to support the District's operations. These purchases included the purchases of support vehicles, radios, firefighting equipment and building improvements including the remodel of Station 1.

Additional information on the District's capital assets can be found in Note 4 to the financial statements on page 18.

Long-term liabilities – During 2023, the District entered into a lease purchase agreement to fund the construction of Station 1. The agreement requires the District pay approximately \$440,000 annually for the next ten years. Colorado Revised Statute 32-1-1101(6) states that a fire district shall have a limit of bonded indebtedness determined by a specific formula. The District's outstanding debt is below this limit.

The District had long-term compensated absences payable of \$865,561 at year-end, of which \$520,656 is expected to come due within one year.

Additional information on the District's long-term liabilities can be found in Note 5 to the financial statements on pages 19-20.

Economic Factors and Next Year's Budgets and Rates

The District's mil rate is \$11.663 for FY 2025 which is flat from prior year. The District experienced a 12.3% decrease in net assessed value from prior year. This decline is attributable to the decline in oil and gas assessed values of 20% from prior year. Oil and gas assessed values are extremely volatile in Weld County which are dependent on the oil market and other outside resources.

The District expects to see net assessed value holding flat or slight increases in both Larimer and Weld Counties, with continued projected growth in the region.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Front Range Fire Rescue Fire Protection District at 101 S. Irene Avenue Milliken, CO 80543.

BASIC FINANCIAL STATEMENTS

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2024

	GOVERNMENTAL ACTIVITIES 2024
ASSETS	
Cash and investments	\$ 15,266,541
Prepaid expenses	20,140
Receivables	
Property taxes	12,335,868
Accounts	128,482
Capital assets, not being depreciated	140,806
Capital assets, depreciated, net of accumulated depreciation	13,607,095
TOTAL ASSETS	41,498,932
DEFERRED OUTFLOWS OF RESOURCES	
Related to volunteer pension	1,507,917
Related to SRA pension	1,881,593
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,389,510
LIABILITIES	
Accounts payable	399,202
Accrued salaries and benefits	191,655
Accrued interest payable	5,122
Due to fiduciary funds - Volunteer Firefighters' Pension	52,727
Noncurrent Liabilities	
Due within one year	917,608
Due in more than one year	3,284,792
Net pension liability - volunteer fund	3,712,052
TOTAL LIABILITIES	8,563,158
DEFERRED INFLOWS OF RESOURCES	
Deferred revenues - property taxes	12,293,221
Related to volunteer pension	32,503
Related to SRA pension	48,697
DEFERRED INFLOWS OF RESOURCES	12,374,421
NET POSITION	
Net investment in capital assets	10,411,062
Restricted for emergencies	275,595
Restricted for capital	2,609,470
Unrestricted	10,654,736
TOTAL NET POSITION	\$ 23,950,863

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

<u>FUNCTIONS/PROGRAMS</u>	Program Revenues			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
<u>PRIMARY GOVERNMENT</u>	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities 2023
Governmental Activities				
General government	\$ 11,569,308	\$ 235,913	\$ 2,185,534	\$ (9,147,861)
Interest on long-term debt	167,456	-	-	(167,456)
Total Governmental Activities	<u>\$ 11,736,764</u>	<u>\$ 235,913</u>	<u>\$ 2,185,534</u>	<u>(9,315,316)</u>
GENERAL REVENUES				
				14,478,808
Property taxes				573,661
Interest				25,000
Miscellaneous				25,000
TOTAL GENERAL REVENUES				15,077,470
NON-OPERATING REVENUES				
				274,485
Insurance proceeds				274,485
CHANGE IN NET POSITION				6,036,638
NET POSITION, Beginning (as restated)				17,914,224
NET POSITION, Ending				<u>\$ 23,950,862</u>

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

INDIVIDUAL FUND SCHEDULES

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2024

	GENERAL FUND	CAPITAL PROJECTS FUND	IMPACT FEE FUND	Total
ASSETS				
Cash and investments	\$ 6,822,892	\$ 5,643,982	\$ 2,524,073	\$ 14,990,946
Cash restricted for emergencies	275,595	-	-	275,595
Property taxes receivable	10,169,822	2,166,046	-	12,335,868
Prepaid expenses	20,140	-	-	20,140
Due from other funds	-	358,491	85,397	443,888
Accounts receivable	128,482	-	-	128,482
TOTAL ASSETS	\$ 17,416,930	\$ 8,168,519	\$ 2,609,470	\$ 28,194,919
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 226,580	\$ 172,622	\$ -	\$ 399,202
Accrued expenses	191,655	-	-	191,655
Due to other funds	496,615	-	-	496,615
TOTAL LIABILITIES	914,850	172,622	-	1,087,472
DEFERRED INFLOWS				
Deferred revenues - property taxes	10,134,664	2,158,557	-	12,293,221
TOTAL LIABILITIES AND DEFERRED INFLOWS	11,049,514	2,331,179	-	13,380,693
FUND BALANCES				
Fund Balances				
Nonspendable	20,140	-	-	20,140
Committed for capital projects	-	5,837,339	-	5,837,339
Restricted for emergencies	275,595	-	-	275,595
Restricted for capital projects	-	-	2,609,470	2,609,470
Unassigned	6,071,682	-	-	6,071,682
TOTAL FUND BALANCES	6,367,416	5,837,339	2,609,470	14,814,225
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,416,930	\$ 8,168,519	\$ 2,609,470	\$ 28,194,919
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Total fund balances				\$ 14,814,225
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.				13,747,901
Pension balances are not available resources and are not included in fund financial statements				
Net pension liability - volunteer fund				(3,712,052)
Deferred outflows related to pension				3,389,510
Deferred inflows related to pension				(81,200)
Long-term liabilities, such as bonds payable, are not due and payable in the current period and are not reported in the funds.				
Bonds payable				(3,336,838)
Accrued interest payable				(5,122)
Accrued compensated absences				(865,561)
Net position of governmental activities				\$ 23,950,863

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

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

	GENERAL FUND	CAPITAL PROJECTS FUND	IMPACT FEE FUND	Total
REVENUES				
Taxes	\$ 11,936,473	\$ 2,542,336	\$ -	\$ 14,478,808
Charges for services	200,586	-	-	200,586
Impact fees	-	-	982,299	982,299
Intergovernmental	70,337	-	-	70,337
Interest income	238,763	228,755	106,143	573,661
Grants & donations	1,030,588	102,311	-	1,132,898
Wildland revenue	35,328	-	-	35,328
Miscellaneous	-	25,000	-	25,000
TOTAL REVENUES	13,512,074	2,898,402	1,088,442	17,498,917
EXPENDITURES				
Current				
Contractual and professional service	516,157	-	-	516,157
Personnel	7,044,054	-	-	7,044,054
Equipment maintenance	300,906	263,467	-	564,373
Materials & supplies	402,699	-	-	402,699
Divisions	740,267	-	-	740,267
Treasurer's fees	182,429	36,978	-	219,407
Capital outlay	-	2,725,804	-	2,725,804
Debt service				
Principal	-	388,588	-	388,588
Interest	-	173,175	-	173,175
TOTAL EXPENDITURES	9,186,512	3,588,012	-	12,774,524
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,325,561	(689,610)	1,088,442	4,724,393
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	274,485	-	-	274,485
Transfers	(1,994,806)	1,994,806	-	-
TOTAL FINANCING SOURCES (USES)	(1,720,321)	1,994,806	-	274,485
NET CHANGE IN FUND BALANCES	2,605,240	1,305,196	1,088,442	4,998,878
FUND BALANCES, Beginning	3,762,176	4,532,143	1,521,028	9,815,347
FUND BALANCES, Ending	<u>\$ 6,367,416</u>	<u>\$ 5,837,339</u>	<u>\$ 2,609,470</u>	<u>\$ 14,814,225</u>

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

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

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 4,998,878
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation</p>	
Depreciation expense	(669,980)
Capital Asset Additions	2,725,805
<p>Change in compensated absences is not reported in the fund statements, however, the change is reported in the Statement of Activities</p>	
	(97,581)
<p>Changes in pension liability/(asset) and deferred inflows and outflows do not use current financial resources and are excluded from the funds</p>	
Changes in liability/(asset), deferred outflows and deferred inflows - Volunteer plan	(1,555,188)
Changes in liability/(asset), deferred outflows and deferred inflows - SWDB plan	(222,641)
Current year contributions reflected as deferred outflows	463,038
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Loan proceeds are revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.</p>	
Principal payments	388,588
Change in accrued interest	5,719
Change in Net Position of Governmental Activities	\$ 6,036,638

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUND

As of December 31, 2024

	<u>VOLUNTEER PENSION TRUST</u>
ASSETS	
Cash and investments	\$ 3,376,621
Property taxes receivable	269,281
Due from general fund	<u>52,727</u>
 TOTAL ASSETS	 <u><u>\$ 3,698,629</u></u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred revenues - property taxes	 <u>269,281</u>
 NET POSITION	
Reserved for pension benefits	 <u><u>\$ 3,429,348</u></u>

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUND

Year Ended December 31, 2024

	<u>VOLUNTEER PENSION TRUST</u>
ADDITIONS	
Property taxes	\$ 329,744
District contributions	10,375
State contributions	45,930
Interest and dividend income	77,177
Unrealized gain on investments	155,180
Realized gain on investments	144,401
TOTAL ADDITIONS	<u>762,808</u>
DEDUCTIONS	
Pension payments	420,830
Audit fees	10,400
Actuarial studies	9,000
Treasurer's fees	4,801
Management fees	23,881
TOTAL DEDUCTIONS	<u>468,913</u>
CHANGE IN NET POSITION	293,895
NET POSITION, Beginning	<u>3,135,453</u>
NET POSITION, Ending	<u>\$ 3,429,348</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Front Range Fire Rescue Fire Protection District was formed to provide fire protection and emergency medical services to the towns of Johnstown, Milliken and portions of unincorporated Weld and Larimer counties within its boundaries. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the Front Range Fire Rescue Fire Protection District (the “District”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Major individual governmental funds are reported as separate columns in the fund financial statements.

FRONT RANGE FIRE RESCUE 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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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

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

The *Capital Projects Fund* accounts for financial resources and related expenditures for the construction and acquisition of major assets and the related debt service activities.

The *Impact Fee Fund* is a capital projects fund used to account for financial resources to be used for defraying projected impacts on capital facilities caused by new developments.

FRONT RANGE FIRE RESCUE 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
(Continued)

Capital Assets

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

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

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

Buildings and Improvements	7- 40 years
Vehicles and Equipment	7- 20 years
Software	5-10 years

Long-Term Obligations

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

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

Net Position

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

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of notes and bonds that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

Fund Balance Classification

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The District also restricts impact fees for capital facilities needed to serve new development.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District commits the amounts in the Capital Projects Fund for building projects.
- Assigned – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. The District did not have any assigned resources as of December 31, 2024.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources

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

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

Property Taxes

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

Recently Issued Accounting Pronouncements

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023. This Statement provides guidance on accounting for and reporting accounting changes and error corrections, aiming to improve the clarity and consistency of financial reporting in these areas. Adoption of this standard enhances the relevance and reliability of its financial statements by providing a more transparent framework for accounting changes and error corrections.

The District implemented GASB Statement No. 101, *Compensated Absences*. This statement, issued in June 2022, establishes new recognition and measurement criteria for compensated absences, including both vacation and certain types of sick leave. In addition to the value of unused vacation time owed to employees upon separation of employment, the District now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized in *Note 10: Restatement of Beginning Balances*.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2024

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Budgets and Budgetary Accounting

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

- In October, District Management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

NOTE 3: CASH AND INVESTMENTS

A summary of Governmental funds deposits and investments as of December 31, 2024 follows:

	Deposit	\$ 647,382
	Investments	<u>14,619,159</u>
	Total	<u>\$ 15,266,541</u>

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2024

NOTE 3: CASH AND INVESTMENTS (Continued)

A summary of Fiduciary funds deposits and investments as of December 31, 2024 follows:

	Deposits	\$ 95,757
	Investments	<u>3,280,864</u>
	Total	<u>\$ 3,376,621</u>

Custodial Credit Risk – Deposits

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

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

At December 31, 2024, the District had deposits with financial institutions with a carrying amount of \$743,139. The bank balances with the financial institutions were \$744,819. Of these balances, \$250,000 was covered by federal insurance and \$494,819 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Fair Value Measurements

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District and the Volunteer Pension Trust categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date; Level 2 inputs are significant other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are significant unobservable inputs for an asset or a liability.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3: CASH AND INVESTMENTS (Continued)

The District investments subject to fair value measurements are as follows:

Investments Type	Value as of December 31			
	2024	Level 1	Level 2	Level 3
Debt Securities				
U.S. Treasury Obligations	\$ 668,396	\$ 668,396	\$ -	\$ -
Corporate Bonds	395,191	-	395,191	-
Total Investments Measured at Fair Value	<u>1,063,587</u>	<u>668,396</u>	<u>395,191</u>	<u>-</u>
Reconciliation to the Government-wide				
Statement of Net Position				
Investments not Subject to				
Fair Value Hierarchy				
Local Government Investment Pool	13,096,142			
Certificates of Deposit	<u>459,430</u>			
Total Investment Value	<u>\$ 14,619,159</u>			

The Volunteer Pension Trust investments subject to fair value measurements are as follows:

Investments Type	Value as of December 31			
	2024	Level 1	Level 2	Level 3
Debt Securities				
U.S. Treasury Obligations	\$ 33,077	\$ 33,077	\$ -	\$ -
Corporate Bonds	311,091	-	311,091	-
Equity Securities				
Common Stock	1,223,859	1,223,859	-	-
Mutual Funds	<u>1,712,837</u>	<u>1,712,837</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	<u>3,280,864</u>	<u>\$ 2,969,773</u>	<u>\$ 311,091</u>	<u>\$ -</u>
Total Investment Value	<u>\$ 3,280,864</u>			

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3: CASH AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Mutual funds are not subject to interest rate risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The following table categorizes interest rate risk and concentration of credit risk for the District:

<u>Investment Category</u>	<u>Market Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-10 Years</u>	<u>Concentration of Credit Risk</u>	<u>S&P Rating</u>
Government Investment Pool	\$ 7,892,053	\$ 7,892,053	\$ -	83.82%	N/A
Corporate Bonds	395,191	198,672	196,519	4.20%	A-AAA
US Treasury Bonds and Notes	668,396	98,319	570,077	7.10%	AA+
Certificates of Deposit	459,430	459,430	-	4.88%	N/A
Total	<u>\$ 9,415,070</u>	<u>\$ 8,648,474</u>	<u>\$ 766,596</u>	<u>100.00%</u>	

The following table categorizes interest rate risk and concentration of credit risk for the Volunteer Pension Trust:

<u>Investment Category</u>	<u>Market Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-10 Years</u>	<u>Concentration of Credit Risk</u>	<u>S&P Rating</u>
Common Stock	1,223,859	1,223,859	-	37.30%	N/A
US Treasury Bonds and Notes	33,078	33,078	-	1.01%	AA+
Corporate Bonds	311,091	82,656	228,435	9.48%	BBB-AAA
Mutual Funds	1,712,837	1,712,837	-	52.21%	N/A
Total	<u>\$ 3,280,865</u>	<u>\$ 3,052,430</u>	<u>\$ 228,435</u>	<u>100.00%</u>	

Credit Risk

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

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

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3: CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds, equity mutual funds and insurance contracts are not subject to custodial credit risk. In accordance with the District's investment policy, the District limits its exposure to custodial credit risk by utilizing an independent third party institution to act as a custodian for its securities and collateral.

At December 31, 2024, the District had \$7,892,053 invested in the Colorado Government Liquid Asset Trust (COLOTRUST); an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE, of which COLOTRUST PLUS+ is the only portfolio the District is enrolled in.

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 4: CAPITAL ASSETS

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

Governmental activities:	Balance at December 31, 2023	Additions	Disposals/ Retirements	Balance at December 31, 2024
Capital assets, not being depreciated:				
Construction in progress	\$ 4,864,604	\$ 140,806	\$ (4,864,604)	\$ 140,806
Total Capital assets, not being depreciated	<u>4,864,604</u>	<u>140,806</u>	<u>(4,864,604)</u>	<u>140,806</u>
Capital assets, being depreciated:				
Buildings and Improvements	5,619,329	6,938,108	-	12,557,437
Vehicles, Machinery and Equipment	6,499,561	511,494	-	7,011,055
Software	7,906	-	-	7,906
Total capital assets being depreciated/amortized	<u>12,126,796</u>	<u>7,449,602</u>	<u>-</u>	<u>19,576,398</u>
Less accumulated depreciation for:				
Buildings and Improvements	1,803,334	288,186	-	2,091,520
Vehicles, Machinery and Equipment	3,488,083	381,794	-	3,869,877
Software	7,906	-	-	7,906
Accumulated depreciation	<u>5,299,323</u>	<u>669,980</u>	<u>-</u>	<u>5,969,303</u>
Total Capital Assets, Depreciated, Net	<u>6,827,473</u>	<u>6,779,622</u>	<u>-</u>	<u>13,607,095</u>
Total Capital Assets, Net	<u>\$ 11,692,077</u>	<u>\$ 6,920,428</u>	<u>\$ (4,864,604)</u>	<u>\$ 13,747,901</u>

Depreciation expense in the amount of \$669,980 was charged to General Government activities of the District.

The District received insurance proceeds of \$274,485 during the year as a result of hail damage in May 2024.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 5: LONG-TERM LIABILITIES

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

	Balance at December 31, 2023 (as restated)			Balance at December 31, 2024		Amounts Due Within One Year
		Additions	Reductions			
Governmental activities						
Construction note payable						
2020	\$ 225,426	\$ -	\$ (124,698)	\$ 100,728		\$ 100,728
2023	3,500,000	-	(263,890)	3,236,110		296,224
Total notes payable	<u>3,725,426</u>	<u>-</u>	<u>(388,588)</u>	<u>3,336,838</u>		<u>396,952</u>
Compensated absences	767,980	97,581	-	865,561		520,656
Total Long-Term Liabilities	<u>\$ 4,493,406</u>	<u>\$ 97,581</u>	<u>\$ (388,588)</u>	<u>\$ 4,202,400</u>		<u>\$ 917,608</u>

Construction Note Payable-2020

On January 22, 2020 the District entered into a \$600,000 construction loan agreement with First National Bank. The District received total proceeds of \$594,994 under the agreement, which were used for improvements to the District's Administration Offices and Fire Station located in Milliken, CO. The loan is secured by a Promissory Note which matures on October 22, 2025 and bears interest at 3.25%.

Construction Note Payable-2023

On July 11, 2023 the District entered into a \$3,500,000 construction loan agreement with First National Bank. The District received total proceeds of \$3,500,000 under the agreement, which were used for improvements to Fire Station 1 located in Milliken, CO. The loan is a reimbursement loan and the full amount of the loan was drawn as of year-end. The loan is secured by a Promissory Note which matures on January 14, 2034, and bears interest at 4.67%.

Future Debt Service Requirements

Annual debt service requirements for the 2020 Construction Loan as of December 31, 2024, are as follows:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 100,728	\$ 1,408	\$ 102,136
Total Debt Service Requirements	<u>\$ 100,728</u>	<u>\$ 1,408</u>	<u>\$ 102,136</u>

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 5: LONG-TERM LIABILITIES (Continued)

Annual debt service requirements for the 2023 Construction Loan as of December 31, 2024, are as follows:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 296,224	\$ 142,854	\$ 439,079
2026	310,160	128,919	439,079
2027	324,752	114,327	439,079
2028	340,030	99,049	439,079
2029	356,026	83,052	439,079
Therefore	1,608,918	156,684	1,765,602
Total Debt Service Requirements	\$ 3,236,110	\$ 724,885	\$ 3,960,997

NOTE 6: RISK MANAGEMENT

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

NOTE 7: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District believes that disallowed expenses, if any, would not have a material effect on the overall financial position of the District.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. On November 2, 2010, voters within the District approved the collection, retention and expenditure of the full revenues generated by the District in 2010 and subsequent years without limitation.

The District has established an emergency reserve, representing 3% of fiscal year spending as required by the Amendment. At December 31, 2024, the emergency reserve of \$275,595 was recorded in the General Fund.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS

Volunteer Firefighters' Pension Plans

Plan Description - The District has established defined benefit pension plans for volunteer firefighters as authorized by State of Colorado statute. The Plans are administered by the District. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. The Plans also provide for burial benefit upon the death of an active or retired firefighter in the amount of \$3,200. Spouses of deceased firefighters who have served a minimum of ten years may receive benefits of 50% of the earned pension. The plans are reported in a pension trust fiduciary fund in the financial statements.

Funding Policy - The Plans receive contributions from the District in an amount not to exceed one half mill of property tax revenue. Contributions are established and may be amended by the District Board. As established by the legislature, the State of Colorado also contributes to the plan. An actuary is used to determine the adequacy of contributions.

The actuarial study as of December 31, 2024, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plans.

As of the date of the report, there were 29 total members of the Johnstown Volunteer Fire Pension Plan. None of the 29 members were active. As of the date of this report, there were 20 members of the Milliken Volunteer Fire Pension Plan. None of the 20 members were active.

Annual Pension Cost - For the year ended December 31, 2024, the District and State contributed \$170,604 and \$21,899, respectively, to the Front Range Fire Rescue Johnstown Fire Pension Plan, which exceeded the actuarially required contributions. The District and State contributed \$162,854 and \$24,031, respectively, which exceeded the required contributions for the Milliken Fire Pension Plan. The required contribution was determined as part of the December 31, 2024, actuarial valuation using the entry-age actuarial cost method.

Actuarial assumptions included the following:

Interest Rate – 4.50% per annum, compounded annually, net of expenses
Retirement - Age 50, after 20 years of service
Disability - None
Mortality – Modified 1994 Group Annuity Mortality for males
Marital Status (Johnstown) - 70% married, with males 3 years older
Marital Status (Milliken) - 75% married, with males 3 years older

Based on the current value of the Funds, the Plan's current level of contributions are adequate to support the prospective benefit levels on an actuarially sound basis.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (Continued)

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

At December 31, 2024 the District reported a pension liability in the amount of \$1,894,592 for the Front Range Fire Rescue Johnstown Volunteer Pension Plan and \$1,817,460 for the Milliken Fire Rescue Volunteer Pension Plan. The net pension liabilities were measured as of December 31, 2024, and were determined by an actuarial valuation as of January 1, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Johnstown Volunteer Fire Pension Plan

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 680,848	\$ -
Change in assumptions	105,300	-
Net difference between projected and actual investment earnings on pension plan investments	10,980	-
Total	\$ 797,128	\$ -

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

Year ending December 31,	
2025	\$ 13,131
2026	44,719
2027	87,147
2028	(21,432)
2029	26,032
Thereafter	647,531
	\$ 797,128

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 4.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50 percent) or 1-percentage-point higher (5.50 percent) than the current rate:

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (Continued)

	<u>Projected Net Pension</u>
	<u>(Asset) Liability</u>
1% Decrease to 3.50%	\$ 2,420,252
Single Discount Rate 4.50%	\$ 1,894,592
1% Increase to 5.50%	\$ 1,458,251

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension – Milliken Volunteer Fire Pension Plan

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 actual and expected experience	\$ 497,963	\$ 32,503
Change in assumptions	127,816	-
Net difference between projected and actual investment earnings on pension plan investments	85,010	-
Total	<u>\$ 710,789</u>	<u>\$ 32,503</u>

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

Year ending December 31,	
2024	\$ 39,066
2025	44,532
2026	52,148
2027	27,857
2028	33,854
Thereafter	<u>480,829</u>
	<u>\$ 678,286</u>

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 4.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50 percent) or 1-percentage-point higher (5.50 percent) than the current rate:

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (Continued)

	<u>Projected Net Pension</u>	
	<u>(Asset) Liability</u>	
1% Decrease to 3.50%	\$	2,025,899
Single Discount Rate 4.50%	\$	1,817,460
1% Increase to 5.50%	\$	1,638,296

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

As of ended December 31, 2024, and for the year then ended, the District recognized the following combined pension liabilities, pension expense, deferred outflows of resources and deferred inflows of the resources related to the Johnstown Volunteer Fire Pension Plan and the Milliken Volunteer Fire Pension Plan:

	Johnstown Volunteer Fire Pension	Milliken Volunteer Fire Pension	Total
Proportionate share of the net pension liability	\$ 1,894,592	\$ 1,817,460	\$ 3,712,052
Pension expense (benefit)	\$ 755,529	\$ 799,659	\$ 1,555,188
Deferred outflows of resources	\$ 797,128	\$ 710,789	\$ 1,507,917
Deferred inflows of resources	\$ -	\$ 32,503	\$ 32,503

State Fire and Police Pension Plan (FPPA)

The following information presented is from the Statewide Retirement Plan (SRP) GASB 68 report which has a measurement date of December 31, 2023.

Plan Description. The District participates in the Statewide Retirement Plan (SRP), 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.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (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.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (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.

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

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

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

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.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (Continued)

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. At December 31, 2024, the District reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability as of December 31, 2023, is based upon the January 1, 2024, actuarial valuation. The actuarially determined contributions as of December 31, 2023, are based upon the January 1, 2023, actuarial valuation.

The District's proportion of the net pension liability 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 entities, actuarially determined. At December 31, 2023, the District's proportion was approximately 0.3241 percent, a decrease of 0.0217 percent from the prior year.

Actuarial Assumptions. The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumptions and other inputs:

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

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (Continued)

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 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 Analysis. 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:

	<u>Projected Net Pension</u> <u>(Asset) Liability</u>
1% Decrease to 6%	\$ 1,817,601
Single Discount Rate	\$ -
1% Increase to 8%	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of each stated discount rate above

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: PENSION PLANS (Continued)

Other Information. For the year ended December 31, 2024, the District recognized pension expense related to this plan of \$222,641. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between actual and expected experience	\$ 617,314	\$ 29,660
Change in assumptions	358,066	-
Net difference between projected and actual investment earnings on pension plan investments	443,175	-
Change in proportionate shares of contributions	-	19,037
District contributions subsequent to the measurement date	463,038	-
Total	<u>\$ 1,881,593</u>	<u>\$ 48,697</u>

The \$463,038 reported as deferred outflows of resources related to pensions resulting from District 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:

Year ending December 31,	
2025	\$ 232,267
2026	346,637
2027	498,280
2028	60,486
2029	78,183
Thereafter	154,005
	<u>\$ 1,369,858</u>

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 9: RESTATEMENT OF BEGINNING BALANCES

The District implemented GASB Statement No. 101, *Compensated Absences*, in 2024. Prior to this implementation, the District did not include sick pay in its compensated absences calculation. As the sick pay accrual is material, the District has restated the prior year financial statements to include sick pay in its calculation. The effects of the change in accounting principle are summarized below. There was no impact to the fund-level financial statements as a result of this restatement.

	December 31, 2023 Net Position as Previously Stated	Effect of Change in Accounting Principle	December 31, 2023 Net Position as Restated
Government-Wide			
Governmental Activities	\$ 18,627,919	\$ (713,695)	\$ 17,914,224
Total Government	\$ 18,627,919	\$ (713,695)	\$ 17,914,224

NOTE 10: SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 31, 2025, the date which the financial statements were issued.

REQUIRED SUPPLEMENTAL INFORMATION

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property taxes	\$ 11,560,260	\$ 11,511,985	\$ (48,275)
Specific ownership taxes	400,000	424,488	24,488
Wildland revenue	-	35,328	35,328
Plan review & inspection	300,000	200,586	(99,414)
Grant revenue	321,606	1,030,588	708,982
Interest earnings	50,000	238,763	188,763
Miscellaneous	57,800	70,337	12,537
TOTAL REVENUES	12,689,666	13,512,074	822,408
EXPENDITURES			
Current			
Personnel	8,310,435	7,249,292	1,061,143
Buildings & land	144,840	184,531	(39,691)
Vehicles & equipment	282,900	935,534	(652,634)
Communications & IT services	198,762	214,685	(15,923)
Travel & training	255,000	88,370	166,630
Managerial costs	741,229	514,100	227,129
Other expenses	55,000	-	55,000
TOTAL EXPENDITURES	9,988,166	9,186,512	801,654
EXCESS OF REVENUES OVER EXPENDITURES	2,701,500	4,325,561	1,624,061
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	1,000	-	(1,000)
Insurance proceeds	-	274,485	274,485
Capital fund transfer	(1,994,806)	(1,994,806)	-
TOTAL OTHER SOURCES (USES)	(1,993,806)	(1,720,321)	273,485
NET CHANGE IN FUND BALANCES	707,694	2,605,240	1,897,546
FUND BALANCES, Beginning		3,762,176	
FUND BALANCES, Ending		<u>\$ 6,367,416</u>	

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

VOLUNTEER FIREFIGHTERS' PENSION PLANS

December 31, 2024

Johnstown Volunteer Fire Pension Plan

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 85,464	\$ 123,367	\$ (37,903)	N/A	N/A
2016	79,159	117,927	(38,768)	N/A	N/A
2017	79,693	117,927	(38,234)	N/A	N/A
2018	69,791	153,558	(83,767)	N/A	N/A
2019	79,419	180,501	(101,082)	N/A	N/A
2020	73,865	185,031	(111,166)	N/A	N/A
2021	54,134	120,067	(65,933)	N/A	N/A
2022	56,696	138,816	(82,120)	N/A	N/A
2023	77,222	152,839	(75,617)	N/A	N/A
2024	68,240	192,503	(124,263)	N/A	N/A

*Includes both employer and State of Colorado Supplemental Discretionary Payment.

Milliken Volunteer Fire Pension Plan

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 30,946	\$ 54,031	\$ (23,085)	N/A	N/A
2016	28,783	58,985	(30,202)	N/A	N/A
2017	32,921	74,031	(41,110)	N/A	N/A
2018	37,051	64,031	(26,980)	N/A	N/A
2019	38,464	95,337	(56,873)	N/A	N/A
2020	45,621	105,791	(60,170)	N/A	N/A
2021	41,434	76,894	(35,460)	N/A	N/A
2022	44,978	114,553	(69,575)	N/A	N/A
2023	49,900	134,821	(84,921)	N/A	N/A
2024	58,756	186,885	(128,129)	N/A	N/A

*Includes both employer and State of Colorado Supplemental Discretionary Payment.

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
FRONT RANGE FIRE RESCUE JOHNSTOWN FIRE PENSION

Measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability									
Service Cost	\$ -	\$ -	\$ 5,479	\$ 5,479	\$ 5,022	\$ 5,022	\$ 8,280	\$ 8,653	\$ 11,042
Interest Cost	205,849	162,676	159,419	159,146	147,213	151,491	135,633	135,869	138,927
Plan Benefit Changes	1,011,059	147,861	-	-	-	316,116	-	-	-
Experience Loss/(Gain)/(Deferred Inflow)				(122,144)	(111,845)	(102,560)	(72,259)	102,489	(38,555)
Difference Between Expected and Actual Experiences	(45,618)	26,767	(3,525)	425,068	49,281	65,580	-	-	-
Assumption Changes	-	-	-	-	-	-	140,394	-	-
Benefit Payments	(245,830)	(235,485)	(226,520)	(188,834)	(185,808)	(166,153)	(179,609)	(181,950)	(176,800)
Net Change in Total Pension Liability	925,460	101,819	(65,147)	278,715	(96,137)	269,496	32,439	65,061	(65,386)
Total Pension Liability - Beginning	3,696,525	3,594,706	3,659,853	3,381,138	3,477,275	3,207,779	3,175,340	3,110,279	3,175,665
Total Pension Liability - Ending	\$ 4,621,985	\$ 3,696,525	\$ 3,594,706	\$ 3,659,853	\$ 3,381,138	\$ 3,477,275	\$ 3,207,779	\$ 3,175,340	\$ 3,110,279
Plan Fiduciary Net Position									
Employer Contribution	170,604	96,143	84,682	98,167	163,132	158,625	131,659	96,028	123,367
State Contributions	21,899	56,696	54,134	21,899	21,899	21,899	21,899	21,899	76,682
Actual Return on Assets	245,775	337,342	(420,091)	370,079	290,611	402,698	(68,635)	232,646	-
Benefit Payments	(245,830)	(235,485)	(226,520)	(188,834)	(185,808)	(166,153)	(179,609)	(181,950)	(176,800)
Pension Plan Administrative Expenses		-	-	(58,422)	(50,117)	(45,258)	(27,735)	(23,983)	(21,978)
Net Change in Plan Fiduciary Net Position	192,448	254,696	(507,795)	242,889	239,717	371,811	(122,421)	144,640	1,271
Plan Fiduciary Net Position - Beginning	2,534,945	2,280,249	2,788,044	2,545,155	2,305,438	1,933,627	2,056,048	1,911,408	1,910,137
Plan Fiduciary Net Position - Ending	\$ 2,727,393	\$ 2,534,945	\$ 2,280,249	\$ 2,788,044	\$ 2,545,155	\$ 2,305,438	\$ 1,933,627	\$ 2,056,048	\$ 1,911,408
Net Pension Liability/(Asset)	1,894,592	1,161,580	1,314,457	871,809	835,983	1,171,837	1,274,152	1,119,292	1,198,871
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.01%	68.58%	63.43%	76.18%	75.28%	66.30%	83.30%	87.75%	90.17%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

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

Measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability											
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,939	\$ 13,331
Interest Cost	109,520	70,301	61,092	61,252	57,998	59,510	52,833	54,576	66,355	68,311	65,842
Plan Benefit Changes	927,405	239,687	-	-	-	231,091	-	-	-	-	-
Experience Loss/(Gain)/(Deferred Inflow)	-	-	-	(28,385)	(27,856)	-	-	143,771	-	-	92,319
Difference Between Expected and Actual Experiences	7,244	29,638	44,793	166,493	54,819	9,500	-	1,156	(14,693)	-	(38,841)
Assumption Changes	-	-	-	-	-	-	770	-	229,136	-	-
Benefit Payments	(169,000)	(140,250)	(141,700)	(120,889)	(115,625)	(96,837)	(96,837)	(91,688)	(93,665)	(96,371)	(92,940)
Net Change in Total Pension Liability	875,169	199,376	(35,815)	78,471	(30,664)	203,264	(43,234)	107,815	187,133	(25,121)	39,711
Total Pension Liability - Beginning	1,597,912	1,398,536	1,434,351	1,355,880	1,386,544	1,183,280	1,226,514	1,118,699	931,566	956,687	916,976
Total Pension Liability - Ending	<u>\$ 2,473,081</u>	<u>\$ 1,597,912</u>	<u>\$ 1,398,536</u>	<u>\$ 1,434,351</u>	<u>\$ 1,355,880</u>	<u>\$ 1,386,544</u>	<u>\$ 1,183,280</u>	<u>\$ 1,226,514</u>	<u>\$ 1,118,699</u>	<u>\$ 931,566</u>	<u>\$ 956,687</u>
Plan Fiduciary Net Position											
Employer Contribution	162,854	90,021	114,553	52,864	81,760	71,306	40,000	50,000	34,954	30,000	39,969
Pension Plan Net Investment Income	39,969	54,059	(92,456)	78,679	66,348	92,939	(34,471)	55,180	28,001	10,775	37,086
Benefit Payments	(169,000)	(140,250)	(141,700)	(120,889)	(115,625)	(96,837)	(96,837)	(91,688)	(93,665)	(96,371)	(92,940)
Pension Plan Administrative Expenses	-	-	-	(16,752)	(15,908)	(9,990)	-	-	(1,126)	(3,232)	(1,247)
State of Colorado Supplemental Discretionary Payment	24,031	44,800	-	24,031	24,031	24,031	24,031	24,031	24,031	24,031	24,031
Net Change in Plan Fiduciary Net Position	57,854	48,630	(119,603)	17,933	40,606	81,449	(67,277)	37,523	(7,805)	(34,797)	6,899
Plan Fiduciary Net Position - Beginning	597,767	549,137	668,740	650,807	610,201	528,752	596,029	558,506	566,311	601,108	594,209
Plan Fiduciary Net Position - Ending	<u>\$ 655,621</u>	<u>\$ 597,767</u>	<u>\$ 549,137</u>	<u>\$ 668,740</u>	<u>\$ 650,807</u>	<u>\$ 610,201</u>	<u>\$ 528,752</u>	<u>\$ 596,029</u>	<u>\$ 558,506</u>	<u>\$ 566,311</u>	<u>\$ 601,108</u>
Net Pension Liability/(Asset)	1,817,460	1,000,145	849,399	765,611	705,073	776,343	654,528	630,485	560,193	365,255	355,579
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	26.51%	37.41%	39.27%	46.62%	48.00%	44.01%	44.69%	48.60%	49.92%	60.79%	62.83%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEWIDE RETIREMENT PLAN
 REQUIRED PENSION INFORMATION

Schedule of Proportionate Share of the Net Pension (Asset) Liability and Related Ratios

Measurement Period Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Asset as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2023	0.039%	-	3,184,495	0.0%	100.0%
12/31/2022	0.346%	306,968	3,015,532	10.2%	97.6%
12/31/2021	0.347%	(1,878,535)	2,796,259	-67.2%	116.2%
12/31/2020	0.326%	(707,542)	2,617,688	-27.0%	106.7%
12/31/2019	0.290%	(164,081)	2,138,278	-7.7%	101.9%
12/31/2018	0.282%	355,950	1,885,956	18.9%	95.2%
12/31/2017	0.265%	(381,096)	1,549,463	-24.6%	106.3%
12/31/2016	0.258%	93,342	1,322,066	7.1%	98.2%
12/31/2015	0.019%	(20,855)	1,151,263	-1.8%	100.1%

* The amounts presented are as of the measurement date, which is one year prior to the fiscal year-end date.

**The schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available.

Employer Contributions

Period Ended	Actuarially Required Contributions	Actual Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2024	463,038	463,038	-	4,638,063	10.0%
12/31/2023	302,530	302,530	-	3,184,495	9.5%
12/31/2022	270,794	270,794	-	3,015,532	9.0%
12/31/2021	237,192	237,192	-	2,796,259	8.5%
12/31/2020	209,416	209,416	-	2,617,688	8.0%
12/31/2019	171,062	171,062	-	2,138,278	8.0%
12/31/2018	150,876	150,876	-	1,885,956	8.0%
12/31/2017	123,957	123,957	-	1,549,463	8.0%
12/31/2016	105,764	105,764	-	1,322,066	8.0%
12/31/2015	92,101	92,101	-	1,151,263	8.0%

See the accompanying independent auditors' report.

SUPPLEMENTAL INFORMATION

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property taxes	\$ 2,462,192	\$ 2,542,336	\$ 80,144
Grant revenue	57,372	102,311	44,939
Interest	-	228,755	228,755
Miscellaneous	-	25,000	25,000
	2,519,564	2,898,402	378,838
EXPENDITURES			
Capital outlay	4,291,929	2,725,804	1,566,125
Miscellaneous expenditures	37,671	300,445	(262,774)
Debt services	560,573	561,763	(1,190)
	4,890,173	3,588,012	1,302,161
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,370,609)	(689,610)	1,680,999
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	52,000	-	(52,000)
General fund transfer	1,994,806	1,994,806	-
	2,046,806	1,994,806	(52,000)
NET CHANGE IN FUND BALANCES	(323,803)	1,305,196	1,628,999
FUND BALANCES, Beginning		4,532,143	
FUND BALANCES, Ending		\$ 5,837,339	

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

IMPACT FEE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Impact fees	\$ 500,000	\$ 982,299	\$ 482,299
Interest	-	106,143	106,143
TOTAL REVENUE	500,000	1,088,442	588,442
NET CHANGE IN FUND BALANCES	500,000	1,088,442	588,442
FUND BALANCES, Beginning		1,521,028	
FUND BALANCES, Ending		<u>\$ 2,609,470</u>	

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

VOLUNTEER PENSION TRUST FUNDS
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property tax	\$ 307,160	\$ 329,744	\$ 22,584
Grant revenue	7,786	-	(7,786)
Interest and dividend income	35,000	77,177	42,177
District contributions	41,500	10,375	(31,125)
State matching funds	45,930	45,930	-
Realized gain on investment	80,000	144,401	64,401
Unrealized gain on investment	-	155,180	155,180
	<u>517,376</u>	<u>762,808</u>	<u>245,432</u>
EXPENDITURES			
Pension payments	416,375	420,830	(4,455)
Actuarial study/GASB	9,000	9,000	-
Audit fees	10,400	10,400	-
County treasurer fees	4,724	4,801	(77)
Pension management fees	27,000	23,881	3,119
	<u>467,499</u>	<u>468,913</u>	<u>(1,414)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>49,877</u>	<u>293,895</u>	<u>244,018</u>
CHANGE IN NET POSITION	49,877	293,895	244,018
NET POSITION, Beginning		<u>3,135,453</u>	
NET POSITION, Ending		<u>\$ 3,429,348</u>	

See the accompanying independent auditors' report.