

**LEFTHAND FIRE PROTECTION DISTRICT  
FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2024**

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# Green & Associates LLC

Certified Public Accountants & Business Consultants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Lefthand Fire Protection District

### Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Lefthand Fire Protection District as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Lefthand 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 and each major fund of Lefthand 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lefthand 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 Lefthand 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.

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

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

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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 of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lefthand 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 Lefthand 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, Schedule of Revenues, Expenditures and Changes in Fund balances – Budget and Actual, Schedule of Contributions – Multiyear, Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear, Schedule of the District's Proportionate Share of the Net Pension Liability – FPPA SRP, Schedule of Pension Contributions – FPPA SRP, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



August 15, 2025  
Fort Collins, Colorado

## **Management's Discussion and Analysis**

## ***Lefthand Fire Protection District***

### **Management's Discussion and Analysis**

#### **Introduction:**

Management's Discussion and Analysis is intended to provide the reader and user of our financial statements with a narrative overview of the District's financial activities. Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements and notes to the financial statements, beginning on page 7.

#### **Overview of the Financial Statements of the District:**

The audited financial statements of the District are:

- Statement of Net Position
- Statement of Activities
- Balance Sheet – Governmental Fund
- Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund
- Notes to the Financial Statements

The financial statements of the District are presented as a special purpose government engaged in government type activities. These financial statements distinguish between the functions of the District that will be principally supported by taxes. The functions of the District include the provision of fire protection services, emergency medical response, and the preventive mitigation of fire dangers.

The **Statement of Net Position** is prepared using the full accrual basis of accounting, provides information about what is owned (assets) by the District, what is owed (liabilities) by the District, and what is the District's equity in its assets (Net Position). Over time, the comparison of changes in Net Position may provide a useful method of evaluating whether the financial position of the District is improving, deteriorating, or maintaining a status quo.

The **Statement of Activities** provides information about the components – Program Expenses, Program Revenue, General Revenue – of the District's annual operating activities and how those activities affected Net Position.

The **Balance Sheet – Governmental Funds** presents the financial position of the District's funds using the traditional government modified accrual method of accounting, which does not reflect capital assets and debt obligations.

The **Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds** presents the activities of the District's funds using the modified accrual method of accounting which includes expenditures for capital assets and debt service obligations. This method approximates the reporting on a cash basis and closely follows the budgetary method.

The two reconciliations, which accompany these governmental funds statements, provide explanations of the specific differences in these statements as compared to the Statement of Net Position and the Statement of Activities.

The **Notes to Financial Statements** provide additional, required disclosures about the District, its accounting policies and practices, its financial position and operating activities, and other required information. The information included in these notes is essential to a full understanding of the information contained in the financial statements.

**Condensed Comparative Financial Information:**  
**Statement of Net Position**

	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents	\$ 546,223	\$ 563,831
Other current assets	1,699,350	1,282,132
	<u>2,245,573</u>	<u>1,845,963</u>
Non Current Assets		
Capital assets – net	5,816,526	5,997,478
Other	544,864	506,632
Total Assets	<u>8,606,963</u>	<u>8,350,073</u>
Deferred Outflows of Resources	217,949	255,450
Current Liabilities	193,489	218,775
Long Term Liabilities	823,700	927,584
Total Liabilities	<u>1,017,189</u>	<u>1,146,359</u>
Deferred Inflows of Resources	<u>1,049,152</u>	<u>1,104,038</u>
Net Position		
Net investment in capital assets	4,910,826	5,011,478
Restricted	34,733	25,149
Unrestricted	1,813,012	1,318,499
Total Net Position	<u>\$ 6,758,571</u>	<u>\$ 6,355,126</u>

**Statement of Activities**

	<u>2024</u>	<u>2023</u>
Program Expenses		
Firefighting and rescue	\$ 1,455,891	\$ 1,580,818
Mitigation	283,873	293,336
Wildfire dispatch services	393,941	351,688
Total Program Expenses	<u>2,133,705</u>	<u>2,225,842</u>
Program Revenues		
Charges for services	1,168,514	669,633
Grants & contributions	160,792	1,016,674
Total Program Revenue	<u>1,329,306</u>	<u>1,686,307</u>
Net Program Expense	<u>804,399</u>	<u>539,535</u>
General Revenues	1,207,844	890,935
Change in Net Position	403,445	351,400
Net Position, Beginning of Year	6,355,126	6,003,726
Net Position, End of Year	<u>\$ 6,758,571</u>	<u>\$ 6,355,126</u>

This foregoing information is a summary of the financial information contained in the District's financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the accompanying audited financial statements beginning on page 7.

### **Discussion of Financial Position and Operating Activities**

The District's Net Position as of December 31, 2024 was \$6,758,571. This is an increase of \$403,445 from 2023. Capital expenditures are not expensed in this statement.

Unrestricted cash and cash equivalents of the District at December 31, 2024, totaled \$546,223. This is a decrease in cash and equivalents of from the prior year due to the purchase of capital assets.

Capital Assets, net of accumulated depreciation, of the District at December 31, 2024, totaled \$5,816,526, which represents a decrease of \$180,952 from the prior year.

General revenues increased in 2024 to \$1,207,844 from \$890,935 due to the increase in taxes. See page 8 of the accompanying Financial Statements for details of these revenues and expenses. Capital expenditures for the year were \$181,250. The District disposed of one asset during the year.

### **Fund Discussion**

The Governmental Fund – General Fund balance increased by \$2,803 in 2024. The fund balance includes \$34,733 for emergencies in accordance with TABOR requirements. The assets and liabilities are comprised primarily of cash, investments and property tax revenues to be realized in 2025.

### **General Fund Budgetary Discussion**

Actual revenues for 2024 were \$542,831 more than the final budget. Actual expenditures for 2024 were \$807,285 more than the final budgeted expenditures primarily because of higher than expected dispatch costs. See the accompanying financial statements for more detail. The budget was not amended for the year, as such all numbers are compared to the final budgeted amounts.

### **Capital Assets and Long-term Obligations**

**Capital Assets.** The District's primary capital assets are buildings and fire suppression equipment. Capital asset additions in 2024 consisted primarily of the remodel of station number 2 and 3. There was one disposal during the year. See Note 3 of the Notes to the Financial Statements.

**Long-term Debt.** The only activity in long-term debt was the scheduled repayment of debt.

**Economic Factors and Next Year's Budget.** Tax revenue for 2025 should be similar to 2024. There are no major changes expected in 2025.

**Requests for Information.** This financial report is designed to provide a general overview of Lefthand Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District at 900 Lefthand Canyon Dr., Boulder, CO 80302.

## **Basic Financial Statements**

**Lefthand Fire Protection District  
Statement of Net Position  
December 31, 2024**

**Assets**

**Current Assets**

Cash and cash equivalents - unrestricted	\$ 546,223
Accounts receivable	641,481
Due from other governments	3,728
Property taxes receivable	1,035,211
Prepaid expenses	18,930
Total Current Assets	2,245,573

**Noncurrent Assets**

Net pension asset - Volunteer	544,864
Capital assets	
Nondepreciable	160,028
Depreciable	9,661,582
Less: Accumulated depreciation	(4,005,084)
Net Capital Assets	5,816,526
Total Noncurrent Assets	6,361,390
Total Assets	8,606,963

**Deferred Outflows of Resources**

FPPA Volunteer Pension	59,391
FPPA SRP Pension	158,558
Total Deferred Outflows of Resources	217,949

**Liabilities**

**Current Liabilities**

Accounts payable	62,136
Accrued wages	44,807
Compensated absences	2,916
Accrued interest on lease purchase agreement	1,630
Lease purchase agreement - current portion	82,000
Total Current Liabilities	193,489

Long Term Liabilities

Lease purchase agreement -long term portion	823,700
Total Long Term Liabilities	823,700
Total Liabilities	1,017,189

**Deferred Inflows of Resources**

Deferred property taxes	1,035,211
FPPA Volunteer Pension	1,410
FPPA SRP Pension	12,531
Total Deferred Inflows of Resources	1,049,152

**Net Position**

Net investments in capital assets	4,910,826
Restricted	34,733
Unrestricted	1,813,012
Total Net Position	\$ 6,758,571

**Lefthand Fire Protection District  
Statement of Activities  
For the Year Ended December 31, 2024**

<u>Governmental Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Firefighting and rescue operations	\$ 1,455,891	\$ -	\$ 4,090	\$ (1,451,801)
Mitigation services	283,873	123,710	156,702	(3,461)
Wildfire dispatch services	393,941	1,044,804	-	650,863
<b>Total Governmental Activities</b>	<u>\$ 2,133,705</u>	<u>\$ 1,168,514</u>	<u>\$ 160,792</u>	<u>(804,399)</u>
<b>General Revenues</b>				
				1,112,428
Property taxes				45,348
Specific ownership taxes				17,868
Earnings on investments				32,200
Other				<u>1,207,844</u>
<b>Total Revenues</b>				<u>1,207,844</u>
Change in Net Position				403,445
Net Position - Beginning of Year				6,355,126
Net Position - End of Year				<u>\$ 6,758,571</u>

## **Fund Financial Statements**

**Lefthand Fire Protection District  
Balance Sheet  
December 31, 2024**

**Assets**

**Current Assets**

Cash and cash equivalents	\$ 546,223
Accounts receivable	641,481
Due from other governments	3,728
Property taxes receivable	1,035,211
Prepaid expenses	18,930

**Total Assets** \$ 2,245,573

**Liabilities**

**Current Liabilities**

Accounts payable	\$ 62,136
Accrued wages	44,807

**Total Liabilities** 106,943

**Deferred Inflows of Resources**

Unavailable revenues	456,869
Deferred property tax revenue	1,035,211

**Total Deferred Inflows of Resources** 1,492,080

**Equity**

Fund Balance	
Restricted - TABOR	34,733
Nonspendable	18,930
Unassigned	592,887
<b>Total Fund Balance</b>	<u>646,550</u>

Total Liabilities, Fund Balance and Deferred Inflows \$ 2,245,573

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**

Amounts reported for governmental funds in the Statement of Net Position are different because:

Total fund balance	646,550
Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	5,816,526
Revenues that do not provide current financial resources are not reported as deferred inflows of resources in the fund statements and revenues in the government-wide statements.	456,869
Accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements.	(2,916)
Long-term debt is not due and payable in the current period and therefore, is not reported in the funds.	(905,700)
Accrued interest on long-term debt does not require current financial resources therefore is not reported in the fund.	(1,630)
Net pension liability, asset, and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	748,872
<b>Total Net Position</b>	<u><u>\$ 6,758,571</u></u>

**Lefthand Fire Protection District**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2024**

<b>Revenues</b>	
Property taxes	\$ 1,112,428
Specific ownership taxes	45,348
Earnings on investments	17,868
Dispatch revenue	587,935
Donations	4,090
Mitigation income	123,710
Grants	156,702
Other	32,200
Total Revenue	<u>2,080,281</u>
<b>Expenditures</b>	
Wages and benefits	1,189,863
Administration	133,473
Operations	315,545
Mitigation services	31,322
Dispatch expense	108,736
County treasurer fees	15,395
Debt service - principal	80,300
Debt service - interest	21,594
Capital outlay	181,250
Total Expenditures	<u>2,077,478</u>
Net Change in Fund Balance	2,803
Fund Balance, beginning of year	<u>643,747</u>
Fund Balance, end of year	<u>\$ 646,550</u>
Total Change in Fund Balance Governmental Fund	\$ 2,803
Depreciation expense reported in the Statement of Activities does not require the use of current financial resources therefore is excluded from the fund statements.	(352,095)
The loss on the disposal of capital assets does not consume current financial resources, therefore the disposals are not reported in the fund statements.	(10,107)
Changes arising from the change in Net pension liability and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	47,055
Expenses from compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(2,916)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.	80,300
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	456,869
Capital outlay to purchase or build capital assets is reported in governmental funds as an	181,250
Some expenses reported in the Statement of Activities do not require the use of current	
Accrued interest	286
Change in Net Position of Governmental Activities	<u>\$ 403,445</u>

**Lefthand Fire Protection District**  
**Notes to Financial Statements**  
**December 31, 2024**

**Note 1 Summary of Significant Accounting Policies**

**Financial Reporting Entity**

In conformance with Governmental Accounting and Financial Reporting Standards, Lefthand Fire Protection District, (the "District"), is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District within the geographical area organized as the Lefthand Fire Protection District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent.

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. No other entities have been included in the District's financial statements.

***Basis of Presentation***

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of information.

***Government-wide Financial Statements***

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government and exclude the activity of funds that are fiduciary in nature.

The Statement of Net Position presents the financial position of the governmental activities at the end of the year. The Statement of Activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the District, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

***Fund Financial Statements***

During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds.

**Lefthand Fire Protection District  
Notes to Financial Statements (Continued)  
December 31, 2024**

**Note 1 Summary of Significant Accounting Policies (Continued)**

***Fund Accounting***

The accounts of the District are organized on the basis of funds which are considered a separate accounting entity. Funds used by the District are described below.

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

**Measurement Focus and Basis of Accounting**

***Government-wide Financial Statement***

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the District are included in the Statement of Net Position.

***Fund Financial Statements***

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources and uses of current financial resources. This approach differs from the manner in which the activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

***Revenue***

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures, which is typically within sixty days of realization. The transactions are classified as operating revenues.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. Revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. These transactions are classified as non-operating revenues.

***Property Taxes***

The County Treasurer collects and remits property taxes to the District monthly. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied for the current year prior to December 31 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. Property taxes are recorded as receivables and deferred revenue when levied. As taxes are collected, the receivable and deferral are reduced and income is recognized.

**Lefthand Fire Protection District**  
**Notes to Financial Statements (Continued)**  
**December 31, 2024**

**Note 1 Summary of Significant Accounting Policies (Continued)**

***Expenses/Expenditures***

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

Cash and cash equivalents- The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with maturities of 90 days or less at the date of their acquisition.

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No allowance for doubtful accounts has been established since the District has the right to place a lien on the property to collect the balance due.

***Assets and Liabilities***

Capital assets –Capital assets are stated at cost or estimated cost. The capitalization threshold for fixed assets is \$5,000. Depreciation over the estimated useful lives of the assets is computed using the straight-line method. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings	50 years
Vehicles	8-25 years
Equipment	10-20 years
Mitigation equipment	5-10 years

These assets are reported in the government-wide Statement of Net Position but are not reported in the fund financial statements.

***Accrued Liabilities and Long-Term Obligation***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term debt obligations are not recognized as a liability on the governmental fund financial statements but instead are recorded when paid.

The District implemented the provisions of GASB No. 101 Compensated absences, which represent the accumulated unpaid vacation time accrued by the employees. Upon termination of employment each employee will be compensated for their unused vacation time at their current rate of pay. The District allows each employee to carry over up to 40 hours of vacation time each year. The net change in compensated absences for the year ended was \$2,916.

**Lefthand Fire Protection District**  
**Notes to Financial Statements (Continued)**  
**December 31, 2024**

**Note 1 Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows / Inflows of Resources**

The District implemented the provisions of GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB 63) and the provisions of GASB No. 65 Items Previously Reported as Assets and Liabilities (GASB 65). As a result in addition to assets, liabilities and net position, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

***Net Position***

Equity is classified as net position and displayed in three components:

- a. Net investments in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.
- c. Unrestricted Net Position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net position are available for future operations or distributions.

***Fund Balance***

*Nonspendable*- consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance was \$18,930 as of December 31, 2024.

*Restricted* - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the District to establish Emergency reserves (see Note 5). A reservation of \$34,733 of the General Fund balance has been made in compliance with this requirement.

*Committed- General Fund* - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors formally removes or changes the specified uses. The District had a committed fund balance of \$0 as of December 31, 2024.

*Assigned* – Includes all amounts that are constrained by the District’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Directors. As of December 31, 2024 the assigned fund balance was \$0.

**Lefthand Fire Protection District**  
**Notes to Financial Statements (Continued)**  
**December 31, 2024**

**Note 1 Summary of Significant Accounting Policies (Continued)**

Unassigned- consists of the residual classification for the General Fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

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

**Budgets and Budgetary Accounting**

Budgets are adopted on a cash basis except for accrual of current vendor invoices. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

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

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The District Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District Board or revised by the District Board.

Actual expenditures exceeded appropriations, which may be a violation of State budget law.

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2 Cash and Investments**

**Cash Deposits**

As of December 31, 2024, the District's cash deposits had a carrying balance of \$328,771 with corresponding bank balance of \$201,320 of which \$201,320 is federally insured. The District had deposits in the amount of \$0 which are in excess of FDIC coverage. These deposits are collateralized under the Colorado Public Deposit Protection Act. 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. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

**Lefthand Fire Protection District**  
**Notes to Financial Statements (Continued)**  
**December 31, 2024**

**Note 2 Cash and Investments (Continued)**

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

**Investments**

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

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

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy is in accordance with State statute. As of December 31, 2024, none of the District's bank deposits were exposed to custodial credit risk.

At December 31, 2024 District had \$217,452 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+ - The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. 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 section 24-75-601, C.R.S., as amended.

COLOTRUST EDGE - The Trust operates similarly to a money market fund and each share is equal in value to \$10.00. The portfolio may invest in U.S. Treasury securities and 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.

**Lefthand Fire Protection District**  
**Notes to Financial Statements (Continued)**  
**December 31, 2024**

**Note 2 Cash and Investments (Continued)**

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

**Interest Rate Risk**

Colorado statutes require that no investment may have a maturity in excess of five years from the date of purchase, unless an available active market exists. The District's investment portfolio does not contain investments that exceed that limitation of five years. The Board has not formally adopted an investment policy. A summary of cash and cash equivalents at December 31, 2024, is as follows:

Cash deposits	\$ 328,771
Colotrust	217,452
Total cash and cash equivalents	<u>\$ 546,223</u>

**Note 3 Capital Assets**

	Balance at 12/31/2023	Additions	Deletions	Balance at 12/31/2024
Nondepreciable				
Land	\$ 160,028	\$ -	\$ -	\$ 160,028
Construction in progress	430,382	76,482	(506,864)	-
Total Nondepreciable	<u>590,410</u>	<u>76,482</u>	<u>(506,864)</u>	<u>160,028</u>
Depreciable				
Buildings	4,852,011	407,923	(103,962)	5,155,972
Firetrucks and equipment	4,242,474	203,709	-	4,446,183
Improvements	59,427	-	-	59,427
Total Depreciable	<u>9,153,912</u>	<u>611,632</u>	<u>(103,962)</u>	<u>9,661,582</u>
TOTAL	<u>9,744,322</u>	<u>688,114</u>	<u>(610,826)</u>	<u>9,821,610</u>
Less Accumulated Depreciation				
Buildings	(354,235)	(156,448)	93,855	(416,828)
Firetrucks and equipment	(3,353,976)	(193,185)	-	(3,547,161)
Improvements	(38,633)	(2,462)	-	(41,095)
Total Accumulated Depreciation	<u>(3,746,844)</u>	<u>(352,095)</u>	<u>93,855</u>	<u>(4,005,084)</u>
Net Capital Assets	<u>\$ 5,997,478</u>	<u>\$ 336,019</u>	<u>\$ (516,971)</u>	<u>\$ 5,816,526</u>

Depreciation expense has been allocated to the various activities as follows:

Firefighting and rescue operations	352,095
Total depreciation charged to expense	<u>\$ 352,095</u>

**Lefthand Fire Protection District  
Notes to Financial Statements (Continued)  
December 31, 2024**

**Note 4 Long-Term Liabilities**

Changes in Long-term Debt for the year ended December 31, 2024 were:

**Governmental activities**

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Lease purchase	986,000	-	(80,300)	905,700	82,000
Total Long-term Debt	<u>\$ 986,000</u>	<u>\$ -</u>	<u>\$ (80,300)</u>	<u>\$ 905,700</u>	<u>\$ 82,000</u>

**Lease Purchase Agreement**

On April 7, 2020 the District entered into a \$1,300,000 lease purchase agreement through Zions Bank, with an interest rate of 2.19% to fund the expansion of fire station number one. Payment amounts vary throughout the term of the lease. The lease purchase agreement is subject to annual renewals at the discretion of the District through 2034. Interest payments on the lease are due on June 1, and December 1 of each year commencing June 1, 2020. Principal is due annually on December 1 through 2034. Future maturities are as follows:

Year ending December 31,	Principal	Interest	Total
2025	\$ 82,000	\$ 19,835	\$ 101,835
2026	83,800	18,039	101,839
2027	85,600	16,204	101,804
2028	87,500	14,329	101,829
2029	89,400	12,413	101,813
2030-2034	477,400	31,818	509,218
Total	<u>\$ 905,700</u>	<u>\$ 112,638</u>	<u>\$ 1,018,338</u>

**Note 5 Tax, Spending, and Debt Limitation**

Article X, Section 20 of the Colorado Constitution, The Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. Spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves, which must be at least 3% of fiscal year spending, excluding bonded debt service. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. This District had an emergency reserve of \$34,733 as of December 31, 2024.

**Lefthand Fire Protection District**  
**Notes to Financial Statements (Continued)**  
**December 31, 2024**

**Note 6 Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District maintains commercial insurance to mitigate their risks of loss. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**Note 7 Pension Plans**

*Volunteer Fireman's Pension Plan*

The District has established an agent multiple-employer defined benefit pension plan for volunteer firefighters (the "Plan") as authorized by the State of Colorado statute. The Plan is administered by the FPPA. Any firefighter who has both attained the age of 50 and completed 20 years of active service shall be eligible for monthly pension. A lesser pension is available after 10 years of active service. A firefighter, who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the pension Board of Directors. The annual financial report of FPPA may be obtained by contacting FPPA at 5290 DTC Parkway, Suite 100, Greenwood Village, CO 80111-2721. The plan consists of 20 retirees, 30 active members and 1 inactive non-retired members.

The Plan receives contributions from the District based on amounts determined by the pension board. As established by the legislature, the State of Colorado contributes 90% of the District's contribution. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. For the year ended December 31, 2024, the District contributed \$3,000. For the year ended December 31, 2023 the District contributed \$3,000 and the State contributed \$2,700 which was equal or greater than the required contributions to the Plan.

The plan provides retirement benefits as established by the pension fund's board of trustees which is comprised of the five directors of the district and two district volunteer firefighters. The pension board is responsible for establishing and amending benefit terms. Volunteers right to a benefit vests after 10 years and there are no forfeiture rules. Upon retirement, beneficiaries receive \$20 per month for every year of service. All contributions are made by the district.

At December 31, 2024, the Department reported an asset of \$544,864 for its net pension asset. The net pension asset was measured as of December 31, 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. For the year ended December 31, 2024, the Department recognized pension income of \$33,334.

**Lefthand Fire Protection District  
Notes to Financial Statements (Continued)  
December 31, 2024**

**Note 7 Pension Plans (Continued)**

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

	<b>Deferred Outflows Resources</b>	<b>of</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$0		\$1,410
Changes in assumptions	2,319		0
Net difference between actual and projected earnings on pension plan investments	54,072		0
Department contributions subsequent to the measurement date	3,000		0
<b>Total</b>	<b>\$59,391</b>		<b>\$1,410</b>

\$3,000 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Deferred outflows / inflows of resources to be amortized are as follows:

<u>Year Ending</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
2025	3,068
2026	18,228
2027	41,128
2028	(7,443)
2029	-
Thereafter	-
<b>Total</b>	<b>54,981</b>

*Actuarial assumptions.* The total pension asset in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	N/A
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

**Lefthand Fire Protection District  
Notes to Financial Statements (Continued)  
December 31, 2024**

**Note 7 Pension Plans (Continued)**

On-duty related mortality is assumed to be 0.00020 per year for all members. The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2012–December 31, 2016.

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

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2023, are summarized in the above table.

*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 Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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.

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

	<b>1.00% Decrease*</b>	<b>Current Discount Rate*</b>	<b>1.00% Increase*</b>
Department's net pension liability/(asset)	\$(449,603)	\$(544,864)	\$(625,536)

\* The long-term rate of return used was 7.0 percent. The municipal bond rate used was 3.77 percent. The single discount rate for the plans was 7.00 percent.

**Lefthand Fire Protection District**  
**Notes to Financial Statements (Continued)**  
**December 31, 2024**

**Note 7 Pension Plans (Continued)**

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

*State of Colorado Fire and Police Pension Association – Defined Contribution Plan*

There were no contributions from plan members in any of the last three years.

**Statewide Retirement Plan**

The District contributes to the Statewide Retirement Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Retirement Plan (SRP) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid police officers of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

**Description of Benefits**

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2 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 for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

**Lefthand Fire Protection District  
Notes to Financial Statements (Continued)  
December 31, 2024**

**Note 7 Pension Plans (Continued)**

**Contributions**

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SRP plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Members of the SRP plan and their employers contributing at the rate of 12 percent and 9.50 percent, respectively, of base salary for a total contribution rate of 21.5 percent in 2023. In 2014, the members elected to increase the member contribution rate to the SRP plan beginning in 2016. Member contribution rates will increase 0.5 percent annually through 2023 to a total of 12 percent of base salary. Employer contributions will increase .5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. Contributions to the SRP plan from the District were \$29,902 for the year ended December 31, 2024.

**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 liability of \$0 for its proportionate share of the net pension liability (asset). The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2023, the District's proportion was .0445688328 percent, which was a decrease of .000060266590 percent from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the District recognized pension income of \$18,796. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 41,024	\$1,971
Changes in assumptions	23,796	0
Net difference between actual and projected earnings on pension plan investments	29,452	0
Net impact in change in proportionate share	34,384	10,560
Contributions subsequent to the measurement date	29,902	0
Total	\$ 158,558	\$ 12,531

\$29,902 in total reported as deferred outflows of resources related to pension resulting from District's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Lefthand Fire Protection District  
Notes to Financial Statements (Continued)  
December 31, 2024**

**Note 7 Pension Plans (Continued)**

<u>Year Ended</u>	<u>Pension Expense</u>
2025	\$ 20,211
2026	27,952
2027	37,997
2028	8,341
2029	8,961
Thereafter	12,663
Total	<u>\$ 116,125</u>

**Actuarial Assumptions**

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
	January 1, 2024	January 1, 2023
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25-11.25%	4.25-11.25%
Cost of Living Adjustments (COLA)	0.0%	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 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.

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 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial calculations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

**Lefthand Fire Protection District  
Notes to Financial Statements (Continued)  
December 31, 2024**

**Note 7 Pension Plans (Continued)**

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

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

**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 FPPA Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SRP plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 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.

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:

**Lefthand Fire Protection District  
Notes to Financial Statements (Continued)  
December 31, 2024**

**Note 7 Pension Plans (Continued)**

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

<b><u>Discount Rate:</u></b>	<b><u>6.00%</u></b>	<b><u>7.00%</u></b>	<b><u>8.00%</u></b>
Proportionate share of the net pension liability (asset)	<u>\$ 120,791</u>	<u>\$0</u>	<u>\$0</u>

**Pension Plan Fiduciary Net Position**

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

## **Required Supplementary Information**

**Lefthand Fire Protection District**  
**Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2024**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with final budget favorable (unfavorable)</b>
<b>Revenues</b>			
Taxes	\$ 1,090,157	\$ 1,157,776	\$ 67,619
Earnings on investments	2,100	17,868	15,768
Dispatch revenue	-	587,935	587,935
Donations	-	4,090	4,090
Mitigation income	294,750	123,710	(171,040)
Grants	132,663	156,702	24,039
Other	17,780	32,200	14,420
Total Revenue	1,537,450	2,080,281	542,831
<b>Expenditures</b>			
Operations:			
Wages and benefits	371,900	1,189,863	(817,963)
Administration	140,200	133,473	6,727
Operations	203,000	315,545	(112,545)
Mitigation services	293,200	31,322	261,878
Dispatch expense	-	108,736	(108,736)
County treasurer fees	-	15,395	(15,395)
Debt service			
Principal	80,300	80,300	-
Interest	21,593	21,594	(1)
Capital outlay	160,000	181,250	(21,250)
Total Expenditures	1,270,193	2,077,478	(807,285)
Net Change in Fund Balance	\$ 267,257	2,803	\$ (264,454)
Fund Balance, beginning of year		643,747	
Fund Balance, end of year		\$ 646,550	

**Lefthand Fire Protection District  
Schedule of Contributions Multiyear - Volunteer  
Last 10 Fiscal Years**

FY Ending December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2014	\$ 46,974	\$ 46,974	\$ -	N/A	N/A
2015	\$ 46,974	\$ 46,974	\$ -	N/A	N/A
2016	\$ 46,974	\$ 46,974	\$ -	N/A	N/A
2017	\$ -	\$ 14,474	\$ (14,474)	N/A	N/A
2018	\$ -	\$ 5,700	\$ (5,700)	N/A	N/A
2019	\$ -	\$ 3,000	\$ (3,000)	N/A	N/A
2020	\$ -	\$ 2,700	\$ (2,700)	N/A	N/A
2021	\$ 843	\$ 5,700	\$ (4,857)	N/A	N/A
2022	\$ -	\$ 5,700	\$ (5,700)	N/A	N/A
2023	\$ -	\$ 3,000	\$ (3,000)	N/A	N/A

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

**Notes to the Schedule of Contributions**

**Valuation Date**

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023, determines the contribution amounts for 2023 and 2024.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-Year smoothed market
Inflation	2.50%
Salary Increases	N/A
Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP -2014 Combined Mortality Table with Blue Collar Adjustment, 55% multiplier for off-duty mortality Post-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment Disabled:RP-2014 Disabled Mortality Table All tables projected with Scale BB

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

**Lefthand Fire Protection District**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear**  
**Last 10 Fiscal Years**

Measurement date December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service cost	\$ 25,936	\$ 16,637	\$ 16,637	\$ 26,319	\$ 26,319	\$ 21,092	\$ 21,354	\$ 21,354	\$ 22,797
Interest	63,498	62,203	61,457	67,545	66,075	65,317	60,322	58,743	58,134
Changes of benefit terms	-	-	-	-	57,110	-	-	-	-
Differences between expected and actual experience	-	(4,228)	-	(108,029)	-	(31,331)	(3,080)	-	(11,920)
Changes of assumptions	-	6,959	-	-	-	31,516	26,640	-	-
Benefit payments, including refunds of employee contributions	(67,840)	(67,440)	(67,440)	(68,640)	(74,040)	(72,404)	(57,600)	(60,400)	(59,988)
<b>Net Change in Total Pension Liability</b>	<b>21,594</b>	<b>14,131</b>	<b>10,654</b>	<b>(82,805)</b>	<b>75,464</b>	<b>14,190</b>	<b>47,636</b>	<b>19,697</b>	<b>9,023</b>
<b>Total Pension Liability - Beginning</b>	<b>927,715</b>	<b>913,584</b>	<b>902,930</b>	<b>985,735</b>	<b>910,271</b>	<b>896,081</b>	<b>869,740</b>	<b>802,406</b>	<b>793,383</b>
<b>Total Pension Liability - Ending</b>	<b>949,309</b>	<b>927,715</b>	<b>913,584</b>	<b>902,930</b>	<b>985,735</b>	<b>910,271</b>	<b>917,376</b>	<b>822,103</b>	<b>802,406</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	3,000	3,000	3,000	-	3,000	3,000	3,000	35,500	35,500
Net investment income	135,028	(130,763)	216,421	175,035	180,699	1,069	65,278	21,577	78,085
Benefit payments, including refunds of employee contributions	(67,840)	(67,440)	(67,440)	(68,640)	(74,040)	(72,404)	(57,600)	(60,400)	(59,988)
Administrative expense	(13,062)	(9,541)	(8,655)	(8,099)	(15,270)	(9,895)	(2,216)	(2,999)	(2,184)
State of Colorado supplemental discretionary payments	2,700	2,700	2,700	2,700	-	2,700	11,474	11,474	11,474
<b>Net Change in Plan Fiduciary Net Positions</b>	<b>59,826</b>	<b>(202,044)</b>	<b>146,026</b>	<b>100,996</b>	<b>94,389</b>	<b>(75,530)</b>	<b>19,936</b>	<b>5,152</b>	<b>62,887</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>1,434,347</b>	<b>1,636,391</b>	<b>1,490,365</b>	<b>1,389,369</b>	<b>1,294,980</b>	<b>1,370,510</b>	<b>1,239,946</b>	<b>1,234,794</b>	<b>1,171,907</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>1,494,173</b>	<b>1,434,347</b>	<b>1,636,391</b>	<b>1,490,365</b>	<b>1,389,369</b>	<b>1,294,980</b>	<b>1,259,882</b>	<b>1,239,946</b>	<b>1,234,794</b>
<b>Net Pension liability (asset) - Ending</b>	<b>(544,864)</b>	<b>(506,632)</b>	<b>(722,807)</b>	<b>(587,435)</b>	<b>(403,634)</b>	<b>(384,709)</b>	<b>(342,506)</b>	<b>(417,843)</b>	<b>(432,388)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	179.12%	179.12%	179.12%	165.06%	142.26%	142.26%	144.86%	150.83%	153.89%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net pension liability as a percentage of covered payroll.</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Lefthand Fire Protection District**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Liability - FPPA SWDB**  
**Last 10 Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability / asset	0.0215413704%	0.0246547820%	0.0228915824%	0.0308652615%	0.0275683132%	0.0301799365%	0.0368527263%	0.0380117512%	0.0327705289%	0.0264769071%
District's proportional share of the net pension liability (asset)	\$ -	\$ 21,884	\$ (124,057)	\$ (67,009)	\$ (15,592)	\$ 38,156	\$ (53,756)	\$ 13,735	\$ (578)	\$ (29,880)
District's percentage of net pension liability (asset) as a percent of covered payroll	0.00%	10.24%	-65.77%	-28.65%	-6.67%	16.64%	-26.88%	6.31%	-0.30%	-18.77%
District's covered payroll	2,111,632	213,611	188,635	233,913	233,913	229,263	200,000	217,733	195,150	159,200
Total pension liability	4,212,130,287	3,752,109,029	3,352,605,624	3,230,485,701	2,919,378,738	4,653,120,261	2,269,410,684	2,021,526,883	1,846,961,999	1,652,901,084
Plan fiduciary net position	4,212,130,287	3,663,348,061	3,894,539,387	3,447,586,098	2,975,935,079	2,526,692,808	2,413,276,447	1,985,393,043	1,848,724,853	1,765,758,630
Net pension liability (asset)	\$ -	\$ 88,760,968	\$ (541,933,763)	\$ (217,100,397)	\$ (56,556,341)	\$ 2,126,427,453	\$ (143,865,763)	\$ 36,133,840	\$ (1,762,854)	\$ (112,857,546)
Plan fiduciary net position as a percentage of the total pension	100%	98%	116%	107%	102%	54%	106%	98%	100%	107%

**Lefthand Fire Protection District  
Schedule of Contributions Multiyear - FPPA SWDB  
Last 10 Fiscal Years**

<b>FY Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution *</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d) = (b) - (c)</b>	<b>(e)</b>	<b>(f)</b>
2024	\$ 29,902	\$ 29,902	\$ -	\$ 299,002	10.00%
2023	20,105	20,105	-	211,632	9.50%
2022	19,225	19,225	-	213,611	9.00%
2021	16,034	16,034	-	188,635	8.50%
2020	18,713	18,713	-	233,913	8.00%
2019	18,341	18,341	-	229,263	8.00%
2018	16,000	16,000	-	200,000	8.00%
2017	17,419	17,419	-	217,733	8.00%
2016	15,612	15,612	-	195,150	8.00%
2015	12,736	12,736	-	159,200	8.00%

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

**Notes to the Schedule of Contributions**

**Valuation Date**

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023, determines the contribution amounts for 2023 and 2024.

\* This report is intended to show 10 years of data. Additional years will be shown as the information becomes available.