



TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT

Excellence Integrity Loyalty Respect Service

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

AND

REQUIRED SUPPLEMENTARY INFORMATION

WITH

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Tri-Lakes Monument Fire Protection District
Monument, CO

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) to Actual, the Schedule of the District's Proportionate Share of the Net Pension (Asset)/Liability, the Schedule of Employer Contributions, the Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios – Volunteer Plan, and the Schedule of Employer Contributions - Volunteer Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CBIZ CPAs P.C.

Colorado Springs, Colorado
September 22, 2025

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

About our District

The Tri-Lakes Monument Fire Protection District (District) is a career fire department, serving approximately 43,000 residents across 62 square miles in northern El Paso County. An elected, seven-member board of directors is responsible for governing the District and providing strategic guidance and fiscal oversight of the District. There are five fire stations manned 24/7 services, 365 days per year, along with the necessary fire apparatus to support the emergency services in the community.

The District is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ending December 31, 2024. The District discusses the financial performance within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

This **Management Discussion and Analysis** document introduces the District's basic financial statements which include: 1) Statement of Net Position; 2) Statement of Activities; 3) Balance Sheet – General Fund; 4) Reconciliation of the Balance Sheet – General Fund to the Statement of Net Position; 5) Statement of Revenues, Expenditures and Changes in Fund Balance; 6) Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of the Governmental Fund to the Statement of Activities; and 7) Notes to the Financial Statements.

The financial statements referenced above and the footnotes to the financial statements begin on page 3 and end on page 34. The Required Supplementary Information, *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP basis) to Actual, Schedule of the District's Proportionate Share of the Net Pension (Asset)/Liability Fire Police Statewide Defined Benefit Plan, and the Schedule of Employer Contributions, the Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios – Volunteer Plan, and the Schedule of Employer Contributions - Volunteer Plan* on pages 35-40 provide information about the District's financial position as of December 31, 2024, its results of operations, information comparing actual revenues and expenditures with budgeted revenue and expenditures for the year, and information about the District's defined benefit and volunteer pension plans.

The **Statement of Net Position** includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in assets and the obligations to the District creditors. It also provides the basis for computing the rate of return, evaluates the capital structure of the District, and assesses the liquidity and financial flexibility of the District.

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

The **Balance Sheet – Governmental Fund – General Fund** 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.

Overview of the Financial Statements - Continued

The Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. This method approximates the reporting on a cash basis and closely follows the budgetary method.

The reconciliations, which accompany these governmental fund 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.

The **Budgetary Comparison Schedule** provides information comparing budgeted revenue and expenditure activities with the actual revenue and expenditure activities. When applicable, the schedule will include a comparison of the originally approved budget with the final amended budget.

Financial Highlights

The District receives revenue from four primary sources:

- Property taxes are collected and disbursed by the El Paso County Treasurer's Office. The levies are certified to the Assessor and the Colorado Property Tax Administrator by the Board of County Commissioners. The Board of County Commissioners authorizes the Assessor to extend the levies on property as assessed. The District is a constituted taxing authority.
- Specific ownership taxes are collected and disbursed by the El Paso County Treasurer's Office.
- Ambulance transportation services
- Wildland deployment services

Secondary sources of revenue are:

- Impact fees
- State/federal grants
- Investment income

Financial Highlights - Continued

Major disbursements are the normal operating expenses of delivering personnel services and benefits for services. These disbursements are detailed in the financial statements.

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$34,343,473 (net position) for the calendar year 2024. At the close of 2023, the assets exceeded liabilities by \$26,089,138 (net position). Approximately 35% of the District's net position represent net investment in capital assets in 2024. The District uses these capital assets to provide services and generate revenues for this fund.
- Net investment in capital assets of \$12,026,369, is calculated by taking property and equipment at cost, less the accumulated depreciation, less any outstanding debt used towards the purchase or construction of capital assets.
- The total net position of the District increased by \$8,254,335 during 2024 and increased by \$3,634,884 during 2023.
- Total net position is comprised of the following classifications:
 - (1) As of December 31, 2024, the net position includes an emergency reserve of \$514,000, representing approximately 3% of expenditures, and impact fees restricted for capital improvements of \$450,238 for a total restricted net position of \$946,238.
 - (2) As of December 31, 2024, and 2023, the District has unrestricted net position of \$21,352,866 and \$13,783,764, respectively.

STATEMENT OF NET POSITION

The statement of net position conveys the financial health of the District and includes all assets, liabilities and deferred inflow of resources, both financial and capital. The statement of net position uses the accrual basis of accounting.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Tri-Lakes Monument Fire Protection District, Colorado for the Year Ended December 31, 2024

STATEMENT OF NET POSITION - Continued

Condensed comparative statements of net position and comments relating to significant changes follow:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets			
Other Assets	\$ 37,673,785	\$ 28,567,599	\$ 9,106,186
Net Pension Asset - Volunteer	111,229	-	111,229
Capital Assets	14,063,304	12,851,684	1,211,620
Total Assets	<u>51,848,318</u>	<u>41,419,283</u>	<u>10,429,035</u>
Deferred Outflows of Resources	<u>4,348,653</u>	<u>3,954,929</u>	<u>393,724</u>
Total Assets and Deferred Outflows	<u>\$ 56,196,971</u>	<u>\$ 45,374,212</u>	<u>\$ 10,822,759</u>
Liabilities			
Current Liabilities	\$ 945,857	\$ 1,009,435	\$ (63,578)
Net Pension Liability	-	686,736	(686,736)
Other Noncurrent Liabilities	2,158,506	3,174,703	(1,016,197)
Total Liabilities	<u>3,104,363</u>	<u>4,870,874</u>	<u>(1,766,511)</u>
Deferred Inflows of Resources	<u>18,749,135</u>	<u>14,414,200</u>	<u>4,334,935</u>
Net Position			
Net Investment in Capital Assets	12,026,369	10,058,358	1,968,011
Restricted	964,238	2,247,016	(1,282,778)
Unrestricted	21,352,866	13,783,764	7,569,102
Total Net Position	<u>34,343,473</u>	<u>26,089,138</u>	<u>8,254,335</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 56,196,971</u>	<u>\$ 45,374,212</u>	<u>\$ 10,822,759</u>

Assets

Other assets increased primarily due to a substantial increase in cash and cash equivalents that resulted from active management and budgeting of expenditures during the year, greater amounts reported for property taxes receivable from increased property valuations, and an increase in accounts receivable pertaining to wildland deployments. Net pension asset for the Volunteer Plan (NOTE 7) was obtained through the transfer of the Volunteer Plan to the District as of December 31, 2024. The net pension asset was measured as of December 31, 2024, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. Capital assets increased as a result of ongoing capital improvements to District buildings, including a new station and training center.

Liabilities

Total liabilities decreased primarily due to the payment made in full and subsequent sale of a lease purchase liability, alongside the expiry of the statute of limitations pertaining to accrued contingent impact fees.

Net Position

The increase in total net position of approximately \$8.25 million is a result of the District's revenue over expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Tri-Lakes Monument Fire Protection District, Colorado for the Year Ended December 31, 2024

STATEMENT OF ACTIVITIES

Condensed comparative statements and comments relating to significant changes:

	<u>2024</u>		<u>2023</u>		<u>Change</u>
Revenues					
Program Revenues					
Charges for Services	\$ 2,021,202	8%	\$ 1,655,508	9%	\$ 365,694
Capital Grants and Contributions	27,257	0%	5,570	0%	21,687
Total Program Revenues	<u>2,048,459</u>	8%	<u>1,661,078</u>	9%	<u>387,381</u>
General Revenues					
Property Taxes	17,054,202	68%	12,382,110	70%	4,672,092
IGA Revenue	4,688,364	19%	3,206,848	18%	1,481,516
Gain of Transfer of Assets from IGA Revenue	84,833	0%	-	0%	84,833
Impact Fees	389,819	2%	227,354	1%	162,465
Investment Earnings	130,621	1%	118,144	1%	12,477
Gain on Disposal of Capital Assets	477,056	2%	74,650	0%	402,406
Volunteer Pension Benefit	30,229	0%	-	0%	30,229
Miscellaneous	52,415	0%	40,476	0%	11,939
Total General Revenues	<u>22,907,539</u>	92%	<u>16,049,582</u>	91%	<u>6,857,957</u>
Total Revenues	<u>24,955,998</u>		<u>17,710,660</u>		<u>7,245,338</u>
Expenses					
Personnel Services	12,617,061	76%	10,613,031	75%	2,004,030
Depreciation	1,375,090	8%	1,344,332	10%	30,758
Administration	959,555	6%	802,700	6%	156,855
Communications	279,208	2%	281,932	2%	(2,724)
Vehicles	413,772	2%	209,413	1%	204,359
Interest	135,273	1%	160,029	1%	(24,756)
Medical Equipment	146,581	1%	144,057	1%	2,524
Buildings	164,319	1%	127,389	1%	36,930
Firefighting Equipment	223,952	1%	109,907	1%	114,045
Training and Education	123,726	1%	100,842	1%	22,884
Utilities	88,070	1%	92,158	1%	(4,088)
Uniforms	79,636	0%	82,699	1%	(3,063)
Capital Outlay	64,031	0%	-	0%	64,031
Fire Prevention	9,170	0%	5,981	0%	3,189
Miscellaneous Equipment	22,219	0%	1,306	0%	20,913
Total Expenses	<u>16,701,663</u>		<u>14,075,776</u>		<u>2,625,887</u>
Change in Net Position	8,254,335		3,634,884		\$ 4,619,451
Net Position Beginning of Year	<u>26,089,138</u>		<u>22,454,254</u>		
Net Position End of Year	<u>\$ 34,343,473</u>		<u>\$ 26,089,138</u>		

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Tri-Lakes Monument Fire Protection District, Colorado for the Year Ended December 31, 2024

STATEMENT OF ACTIVITIES – Continued

Revenues

The District operations are funded by a combination of tax collections and program fees. Property taxes and IGA revenue related to property taxes received by Donald Wescott Fire Protection District increased due to significant increases in property valuations over that of prior year.

Expenses

Expenses increased primarily due to wage increases and a full year of personnel expenses associated with the absorption of the employees from Donald Wescott Fire Protection District.

Budget Comparison

A comparison of the final budget and actual income statement follows:

	Final Budget	Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Tax Receipts	\$ 16,113,973	\$ 17,054,202	940,229
Operating Revenue	5,705,482	1,619,529	(4,085,953)
Interest	20,000	130,621	110,621
Miscellaneous Revenue	210,000	278,869	68,869
IGA Revenue	4,139,982	4,688,364	548,382
Total Revenues	26,189,437	23,771,585	(2,417,852)
Expenses			
Wages	10,052,459	10,169,078	(116,619)
Benefits	2,932,734	3,194,911	(262,177)
Administration	1,092,890	914,711	178,179
Buildings	205,000	164,319	40,681
Communications	434,000	279,208	154,792
Fire Prevention	12,500	9,170	3,330
Operational Equipment	630,395	450,169	180,226
Training and Education	228,770	123,726	105,044
Utilities	102,500	88,070	14,430
Vehicles	338,700	413,772	(75,072)
Miscellaneous Equipment	-	22,219	(22,219)
Capital Outlay	9,376,286	3,260,587	6,115,699
Debt Services	206,915	990,319	(783,404)
Total Expenditures	25,613,149	20,080,259	5,532,890
Revenues over Expenditures (Non-GAAP Basis)	\$ 576,288	\$ 3,691,326	\$ 3,115,038

STATEMENT OF ACTIVITIES – Continued

Capital Asset and Long-Term Debt Activity

All of the District's long-term debt is scheduled to be paid off by 2035. The District is also managing to put away savings for future capital purchases; something it has only been able to do starting in 2023. Lastly, the District has evaluated and deemed necessary additional fire stations, and is working internally to develop a plan for related expenditures and the potential for new debt.

Economic Conditions Affecting the District

A few issues will affect the District's financial position over the next few years.

1. The District is currently experiencing record growth in single-family housing quantities and market pricing which will enhance revenues. There are some predictions that the housing market boom will begin to subside over the next few years. If the trend is just quantity, only growth of District revenues would slow down. However, if market value is also affected negatively, this would affect District revenues negatively. At the time of the audit in 2025, the county was still experiencing effects from the COVID virus, and it is still difficult to tell if there will be any long-term economic impacts as a result of this.
2. The Gallagher Amendment reduced property tax assessment values by 9% (7.96% to 7.2%). For the 2020 budget year, the residential assessment rate was 7.15%. The District passed an initiation to combat the effects of the Gallagher Amendment in 2019, which allows the Board to raise its mill levy by an amount that offsets the lost revenue from the reduced RAR. Eventually, if growth does not offset any future Gallagher-induced reductions, this next amendment implementation would reduce tax revenues if the Board chose to not exercise its full options to combat such effects.
3. Due to the passage of state legislation within 2024, fire districts are now permitted to collect impact fees within the counties without express permission from the county commissioners. A nexus study was commissioned in 2025 and the District is working alongside the relevant Home Builders Association to determine the extent of the fee increase. After approval from the Board of Directors, new impact fees will be assessed within the relevant counties starting in 2026.
4. El Paso County's ambulance contract extends to the end of 2025, with options for renewal. The ambulance contract provides EMS services to fire districts that do not have their own EMS transport service unlike the District. It's possible that in the near future, the District may be asked to assist other fire districts with the provision of EMS service into their jurisdictions. This would translate to higher EMS-related revenues and expenses including the possibility of an additional staffed ambulance.
5. Significant commercial growth is currently in the planning stages for the District's coverage area. If this continues, there could be significant growing revenue coming to the District over the next few years.
6. Possible organizational consolidations which could affect District revenues/expenses are consistently talked about as future possibilities.

STATEMENT OF ACTIVITIES – Continued

7. There are possible legislative issues that could effect the District if passed in the future.

Contacting the District's Financial Management

This financial report provides a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. Any questions about this report or if additional information is required, contact the Fire Chief Andy Kovacs at akovacs@monumentfire.org.

FINANCIAL STATEMENTS

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

Assets

Current Assets

Cash and Cash Equivalents	\$ 15,835,990
Cash Held by Treasurer	141,101
Total Cash and Cash Equivalents	15,977,091
Investments	1,696,985
Receivables	
Accounts Receivable	522,470
Ambulance Receivable, Net of Allowance	448,106
Property Tax Receivable	18,052,699
Total Receivables, Net	19,023,275
Prepaid Expenses and Deposits	526,196
Total Current Assets	37,223,547

Noncurrent Assets

Cash - Restricted	450,238
Net Pension Asset - Volunteer	111,229
Capital Assets, Net of Accumulated Depreciation	14,063,304
Total Noncurrent Assets	14,624,771
Total Assets	51,848,318

Deferred Outflows of Resources

Pension	4,250,147
Pension - Volunteer	98,506
Total Deferred Outflows of Resources	4,348,653

Liabilities

Current Liabilities

Accounts Payable	496,220
Accrued Interest	83,871
Accrued Salaries and Benefits	45,641
Compensated Absences	145,760
Current Lease-Purchase Liabilities	174,365
Total Current Liabilities	945,857

Noncurrent Liabilities

Compensated Absences	295,936
Lease-Purchase Liabilities	1,862,570
Total Noncurrent Liabilities	2,158,506
Total Liabilities	3,104,363

Deferred Inflows of Resources

Property Tax	18,052,699
Pension	599,668
Pension - Volunteer	96,768
Total Deferred Inflows of Resources	18,749,135

Net Position

Net Investment in Capital Assets	12,026,369
Restricted	964,238
Unrestricted	21,352,866
Total Net Position	\$ 34,343,473

See Notes to Financial Statements

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Governmental Activities
Program Expenses	
Wages	\$ 9,947,928
Benefits	2,669,133
Depreciation	1,375,090
Administration	959,555
Communications	279,208
Vehicles	413,772
Interest	135,273
Medical Equipment	146,581
Buildings	164,319
Firefighting Equipment	223,952
Training and Education	123,726
Utilities	88,070
Uniforms	79,636
Capital Outlay	64,031
Fire Prevention	9,170
Miscellaneous Equipment	22,219
Total Program Expenses	16,701,663
Program Revenue	
Ambulance Fees, Net of Contract Adjustments	1,468,858
Capital Grants and Contributions	27,257
Wildland Deployment	552,344
Total Program Revenue	2,048,459
Net Program Expenses	(14,653,204)
General Revenues	
Property Taxes	15,705,322
IGA Revenue	4,688,364
Gain on Transfer of Assets	84,833
Specific Ownership Taxes	1,348,880
Impact Fees	389,819
Investment Earnings	130,621
Gain on Disposal of Capital Assets	477,056
Volunteer Pension Benefit	30,229
Miscellaneous	52,415
Total General Revenues	22,907,539
Change in Net Position	8,254,335
Net Position, Beginning of Year	26,089,138
Net Position, End of Year	\$ 34,343,473

See Notes to Financial Statements

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2024**

Assets

Cash and Cash Equivalents	\$	15,835,990
Cash Held by Treasurer		141,101
Cash - Restricted		450,238
Total Cash, Cash Equivalents, and Restricted Cash		16,427,329
Investments		1,696,985
Receivables		
Accounts Receivable		522,470
Ambulance Receivable, Net of Allowance		448,106
Property Tax Receivable		18,052,699
Total Receivables, Net		19,023,275
Prepaid Expenses and Deposits		407,726
Total Assets	\$	37,555,315

Liabilities and Fund Balance

Liabilities		
Accounts Payable	\$	496,220
Accrued Salaries and Benefits		45,641
Total Liabilities		541,861
Deferred Inflows of Resources		
Unearned Property Tax Revenue		18,052,699
Total Deferred Inflows of Resources		18,052,699
Fund Balance		
Nonspendable		407,726
Restricted		964,238
Unassigned		17,588,791
Total Fund Balance		18,960,755
Total Liabilities and Fund Balance	\$	37,555,315

See Notes to Financial Statements

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND -
GENERAL FUND TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Reconciliation to Statement of Net Position

Total Fund Balance - Governmental Fund	\$	18,960,755
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The net pension asset and related deferred items are not available for current period expenditures and are therefore not reported in the fund.

Net Pension Asset - Volunteer		111,229
Deferred Outflows of Resources - Pension		4,250,147
Deferred Inflows of Resources - Pension		(599,668)
Deferred Outflows of Resources - Volunteer		98,506
Deferred Inflows of Resources - Volunteer		(96,768)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.

Cost		24,563,713
Accumulated Depreciation		(10,500,409)

Liabilities not due and payable in the current period are not reported in the governmental fund, but are reported in the statement of net position.

Accrued Interest		(83,871)
Lease Purchases Prepaid		118,470
Lease Purchases Payable		(2,036,935)
Compensated Absences		(441,696)

Total Net Position of Governmental Activities	\$	34,343,473
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TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2024

	Governmental Activities
Revenues	
Charges for Services	
Ambulance Fees, Net of Contract Adjustments	\$ 1,468,858
Wildland Deployment	552,344
Total Charges for Services	2,021,202
Property Taxes	15,705,322
Specific Ownership Taxes	1,348,880
Impact Fees	389,819
Proceeds from Sale of Capital Assets	1,088,996
Investment Earnings	130,621
Capital Grants and Contributions	27,257
Miscellaneous	(114,477)
Total Revenues	20,597,620
Expenditures	
Current	
Wages	10,190,370
Benefits	3,098,191
Administration	959,555
Communications	279,208
Vehicles	413,772
Medical Equipment	146,581
Buildings	164,319
Firefighting Equipment	223,952
Training and Education	123,726
Utilities	88,070
Uniforms	79,636
Fire Prevention	9,170
Miscellaneous Equipment	22,219
Capital Outlay	3,260,587
Debt Service	
Principal	756,391
Interest	233,928
Total Debt Service	990,319
Total Expenditures	20,049,675
Special Items	
IGA Revenue	4,688,364
Total Special Items	4,688,364
Change in Fund Balance	5,236,309
Fund Balance, Beginning of Year	13,724,446
Fund Balance, End of Year	\$ 18,960,755

See Notes to Financial Statements

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balance - Governmental Fund	\$	5,236,309
Amounts reported for governmental activities in the statement of activities are different because:		
Changes in the net pension liability and related deferrals do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		429,058
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period.		
Depreciation Expense		(1,375,090)
Gain on Disposal of Capital Assets		477,056
Proceeds on Disposal of Capital Assets		(1,088,996)
Capital Outlay		3,260,587
Capital Outlay Recorded in Statement of Activities		(64,031)
Gain on Transfer of Assets from IGA Revenue		84,833
Contingent impact fee refunds reported in the statement of activities do not require the use of current financial resources, and therefore are not reported in the governmental fund.		
Beginning of Year		166,892
End of Year		-
Compensated absences reported in the statement of activities do not require the use of current financial resources, and therefore are not reported in the governmental fund.		
Beginning of Year		684,138
End of Year		(441,696)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position in the government-wide statements. This amount is the net effect of these differences.		
Payment of Principal on Capital Leases		756,391
Interest expense on capital lease obligations in the statement of activities differs from the amount reported in the governmental funds because interest expense is recognized as an expenditure in the funds when it is due. In the statement of activities, interest expense is recognized as it accrues regardless of when it is due. The additional interest expense reported in the statement of activities is the result of decreased accrued interest on capital leases.		
		98,655
Some expenses 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.		
Pension Benefit - Volunteer		30,229
Change in Net Position of Governmental Activities	\$	8,254,335

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Tri-Lakes Monument Fire Protection District provides fire protection and prevention, hazardous material response, and emergency medical and rescue services within the respective territorial limits of the two former fire districts described below.

The Tri-Lakes Monument Fire Authority (Authority) was formed and effective as of January 1, 2005, as a separate legal entity under Section 29-1-203, Colorado Revised Statutes (CRS). The Authority was established through an “Intergovernmental Fire District Establishment Agreement” between the Woodmoor/Monument Fire District and the Tri-Lakes Fire Protection District. Each of these districts formerly provided fire and rescue services to its respective area.

On October 2, 2007, the voters of the Woodmoor/Monument Fire Protection District approved a plan to dissolve the Woodmoor/Monument Fire Protection District, effectively dissolving the Tri-Lakes Monument Fire Authority as well. On January 1, 2008, Tri-Lakes Fire Protection District was the only remaining legal entity and formally changed its name to the Tri-Lakes Monument Fire Protection District (District).

A seven-member Board of Directors governs the District. The District may:

- levy property taxes.
- enter into contracts.
- set and collect fees and charges.
- provide all services that a title 32 fire protection district may provide.
- hold title to property.
- sue and be sued.
- incur debt as permitted by state statute.

The District follows Governmental Accounting Standards Board (GASB) pronouncements that provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The District has no component units and has not included any component units within its reporting entity. The District is not a component of any other primary governmental entity.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. GASB is the accepted standard-setting body for governmental accounting and financial reporting.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide and Fund Financial Statements

The District's basic financial statements consist of government-wide financial statements and fund financial statements.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial information of the primary government. The statement of net position presents the financial condition of the governmental activities at year-end. The statement of activities presents a comparison between direct expenses and the program revenues for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program, or department, and therefore, are clearly identifiable to a particular function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - During the year, the District segregates transactions related to certain district functions or activities in the governmental fund in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

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

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Accounting - The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other assets together with all related liabilities, obligations, reserves, and fund balances, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District is a single fund entity, and all fund activity is conducted through the General Fund.

Governmental Funds - Governmental funds are those through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District Reports the Following Major Governmental Fund:

General Fund -The General Fund is the operating fund used to account for all financial resources of the District. The General Fund balance is available to the District for any purpose, provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

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

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

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

Property Tax Revenue - Property taxes are reported as a receivable and a deferred inflow of resources when the levy is certified and as revenue when due for collection in the subsequent year. Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the El Paso County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of December 31 of each year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

Fund Balances - The General Fund reports fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for the funds. Fund balances for the District's General Fund consists of the following classifications.

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

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

Committed - includes amounts segregated for the specific purposes determined by the passage of a resolution of the District's board directors. Modification or changes to these commitments require approval through the District's board by resolution.

Assigned - includes amounts segregated by District's board of directors through their communications with management as to the intended use of segregated funds. Assigned funds are not legally restricted, nor committed by official board resolution, but are assigned based on management's understanding of the intended use of the funds.

Unassigned - this is the residual classification for any other funds not considered segregated by law, contractual obligation, board resolution or intent.

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

Net position classification in the Government Wide financial statements are as follows:

Net Investment in Capital Assets – this classification consists of capital assets net of accumulated depreciation, reduced by any outstanding debt attributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Position - this classification consists of restrictions created by external creditors, grantors, contributors, laws or regulations of the other governments, enabling legislation and constitutional provisions.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Unrestricted Net Position - This classification represents the residual funds balances not classified in of the two categories above.

Budget Accounting - Budgets are prepared in accordance with the requirements of CRS - (29-1-103) and accordingly include "anticipated income and other means of financing proposed expenditures", and expenditures include, in addition to those shown in the operating statements, debt redemptions and capital expenditures.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements. The District is required to adopt an annual operating budget. The budget is adopted on the cash basis of accounting, which is a non-GAAP basis.

- A. State law for all funds requires budgets. During September, the proposed budget is submitted to the Board of Directors by the budget officer for the fiscal year commencing the following January 1. The budget includes proposed expenditures and means of financing them.
- B. Public hearings are conducted by the Directors to obtain taxpayer comments.
- C. Prior to December 31, the budget is adopted, and appropriations made by formal resolution.
- D. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund or changes in project or department budgets. Budget amounts included in the financial statements are based on the final, legally amended budget.
- E. Budget appropriations lapse at the end of each year.

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the District.

Investments - Investments for the District are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment.

Receivables - Customer receivables represent primarily wildland deployment and ambulance charges earned and billed, but not collected. The receivables are reported net of an allowance for credit losses, where applicable.

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

The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized, and the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. All reported capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the useful lives 3-39 years.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Upon the completion of the intergovernmental agreement with Donald Wescott Fire Protection District (Donald Wescott) on December 31, 2024 (see Note 14), Donald Wescott transferred its Volunteer Pension Plan (Volunteer Plan) to the District. The Volunteer Plan is administered by the Fire & Police Pension Association of Colorado. As of December 31, 2024, the Volunteer Plan has been merged with Tri-Lakes Monument Fire Protection District at the FPPA.

Compensated Absences - Vacation benefits are accrued as a liability on the government-wide statements as the benefits are earned, if the employees' rights to receive compensation are attributable to services already rendered, and it is probable the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability as the benefits are earned by the employees. Unused sick leave accruals will not be paid out to employees upon separation from the District.

For the government-wide financial statements, compensatory time benefits are accrued as a liability as the benefits are earned by the employee, subject to certain limitations. For the governmental fund financial statements, compensatory time is only recorded as a liability when due. All compensated absence liabilities include salary-related payments, where applicable.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide statements on the statement of net position.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and paid in full, from current financial resources, are reported as obligations of the fund. Long-term liabilities are recognized on the governmental fund financial statements only when due.

Capital Contributions - Contributions of capital in governmental fund financial statements arise from outside contributions of capital assets, from grants or outside contributions of resources restricted to capital acquisition and construction.

Estimates - The preparation of the financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

New Accounting Pronouncements - For 2024, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption of this standard had no impact on the financial statements for the year ended December 31, 2024.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

NOTE 1 – CASH AND CASH EQUIVALENTS

Deposits - Colorado State statutes govern the District's cash deposits. The Public Deposit Protection Act (PDPA) for banks and savings and loans requires state regulators to certify eligible depositories for public deposits. PDPA requires eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. 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 assets in the pool must be at least equal to 102 percent of the uninsured deposits.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of failure of the custodian, the District may not be able to recover the value of deposits that are in the possession of a third party.

At December 31, 2024, the carrying amount of the District's cash balance was \$16,286,228 and the bank balances were \$15,934,787. Of the bank balances, \$500,000 was covered by federal depository insurance and \$15,434,787 falls under the provisions of the PDPA, which is collateralized in single institution pools.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. CRS specifies investment instruments meeting defined rating and risk criteria in which the District may invest:

- United States Treasury Obligations
- United States Government Agency and Instrumentality Obligations
- Certificates of Deposits
- Commercial Paper
- Investment-Grade Obligations of The State
- Repurchase Agreements
- Money Market Mutual Funds
- Local Government Investment Pools

Restricted Cash - As of December 31, 2024, \$450,238 of cash collected from land development charges (impact fees) was restricted for capital expenditures in a separate, interest-bearing account (see NOTE 13).

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – INVESTMENTS

The District is subject to the provisions of the Colorado Revised statutes 24-75-601, which is titled “Concerning Investments in Securities by Public Entities.” Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

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

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

Investment	Maturity	Restriction	Amount
COLOTRUST PLUS+	Weighted Average under 60 Days	None	\$ 1,696,985

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

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

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1 per share. The investment pool financial statements can be obtained at www.colotruster.com.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable primarily consists of billings for ambulance services, wildland deployment, and tax revenues. Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability. The allowance for uncollectible accounts on ambulance billings at December 31, 2024, was \$788,040, for a net ambulance receivable balance of \$448,106.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Non-Depreciable Capital Assets				
Land	\$ 637,421	\$ -	\$ -	\$ 637,421
Construction in Progress	-	180,152	-	180,152
Total Non-Depreciable Capital Assets	<u>637,421</u>	<u>180,152</u>	<u>-</u>	<u>817,573</u>
Depreciable Capital Assets				
Land Improvements	37,682	-	-	37,682
Buildings and Improvements	9,973,042	2,440,926	(1,064,246)	11,349,722
Vehicles	8,361,307	474,776	-	8,836,083
Ambulances	1,219,378	29,858	-	1,249,236
Firefighting Equipment	1,121,130	15,727	-	1,136,857
Medical Equipment	363,371	74,824	-	438,195
Communications Equipment	591,824	-	-	591,824
Specialty Vehicles	58,865	47,676	-	106,541
Total Depreciable Capital Assets	<u>21,726,599</u>	<u>3,083,787</u>	<u>(1,064,246)</u>	<u>23,746,140</u>
Accumulated Depreciation				
Buildings and Improvements	3,633,196	366,803	(452,304)	3,547,695
Vehicles	4,052,151	665,827	-	4,717,978
Ambulance	556,178	145,561	-	701,739
Firefighting Equipment	539,503	106,135	-	645,638
Medical Equipment	291,791	29,563	-	321,354
Communications Equipment	483,203	42,867	-	526,070
Specialty Vehicles	21,601	18,334	-	39,935
Total Accumulated Depreciation	<u>9,577,623</u>	<u>1,375,090</u>	<u>(452,304)</u>	<u>10,500,409</u>
Total Depreciable Capital Assets, Net	<u>12,148,976</u>	<u>1,708,697</u>	<u>(611,942)</u>	<u>13,245,731</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,851,684</u>	<u>\$ 1,888,849</u>	<u>\$ (611,942)</u>	<u>\$ 14,063,304</u>

Depreciation expense for the year ended December 31, 2024, was \$1,375,090.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – LEASE-PURCHASE LIABILITIES

The following is a summary of changes in lease-purchase liabilities for the year ended December 31, 2024:

	Beginning Balance	Additions	Payments	Ending Balance	Portion Due Within One Year
General Fund					
Office Building Suites	\$ 588,129	\$ -	\$ (588,129)	\$ -	\$ -
Fire Truck - Enforcer	761,878	-	(70,847)	691,031	73,643
Fire Truck - Velocity	1,443,319	-	(97,415)	1,345,904	100,722
Total Lease Purchases Payable	\$ 2,793,326	\$ -	\$ (756,391)	\$ 2,036,935	\$ 174,365

Lease-Purchase Option Agreements - In 2023, the District entered into lease purchase agreements for the purpose of financing two fire fighting vehicles. The agreements qualify as lease liabilities for accounting purposes. Lease payments are subject to annual appropriation of funds by the District. The lease purchase payments began July 28, 2023, for the Pierce Velocity Enforcer truck and February 25, 2024, for the Pierce Velocity Enforcer – Tower truck. Annual leases payments are \$104,391 and \$152,009, respectively, with interest at 4.41% and 3.80%, respectively, compounded monthly.

As of December 31, 2024, the underlying lease assets for the trucks totaled \$2,406,974, with accumulated amortization totaling \$412,897.

The District has issued multiple municipal securities for the purchase and construction of capital assets, structured through lease-purchase financing agreements. The lease-purchase agreements require the annual appropriation of funds sufficient to cover the debt service payments.

The lease-purchase agreements are exempt from the provisions of SEC Rule 15c2-12 by reason of the total securities issued being less than \$1 million in aggregate. The lease purchase agreements obtained a right of first lien on all assets, including any improvements. The District has agreed to maintain appropriate liability coverage for the assets purchased and to maintain the assets in good repair. The District is in compliance with all reporting requirements of the various agreements as of December 31, 2024.

The following is a summary of the lease-purchase terms:

Lease	Start Date	Interest Rate	Maturity Date	Principal Balance
Fire Truck - Enforcer	7/28/2022	4.41%	7/28/2032	\$ 691,031
Fire Truck - Velocity	2/25/2022	3.80%	2/25/2035	1,345,904
Total				\$ 2,036,935

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – LEASE-PURCHASE LIABILITIES – Continued

The following is a summary of the estimated future minimum lease payments for the District’s lease-purchase liabilities:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 174,365	\$ 82,035	\$ 256,400
2026	181,868	74,532	256,400
2027	189,250	67,150	256,400
2028	196,977	59,423	256,400
2029	204,830	51,570	256,400
2030-2034	943,028	130,191	1,073,219
2035	146,617	5,392	152,009
	<u>\$ 2,036,935</u>	<u>\$ 470,293</u>	<u>\$ 2,507,228</u>

NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN

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

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

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 issues a publicly available annual comprehensive financial report that can be obtained on FPPA’s website at <http://www.FPPAco.org>.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - Continued

Benefits Provided - 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.

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.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - Continued

A member may elect to participate in the DROP after reaching eligibility for Normal Retirement, Early Retirement, or Vested Retirement and age 50. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in DROP, the member continues to make pension contributions, which are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2022 was \$101,675,410. This amount was not included in the Plan Net Position.

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

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

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

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

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

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

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - Continued

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

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

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

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Contributions to the Plan from the District were \$894,620 for the year ended December 31, 2024.

Net Pension Asset/Liability- At December 31, 2024, the District reported no net pension asset or liability. The net pension asset/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 January 1, 2023. 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 departments, actuarially determined. The decrease in net pension liability was due to an FPPA restatement, which reduced the District's liability. At December 31, 2023, the District's proportion was 0.766747 percent, compared to 0.773690 percent in 2022.

Pension expense for the year ended December 31, 2024 was \$439,358. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	\$ 1,460,227	\$ 70,159
Changes in Assumptions	846,990	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	1,048,310	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	529,509
District Contributions Subsequent to Measurement Date	894,620	-
Total	\$ 4,250,147	\$ 599,668

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - Continued

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an adjustment against the net pension asset/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:

Years Ending December 31,	Amortization
2025	\$ 481,497
2026	750,120
2027	1,107,745
2028	77,871
2029	127,375
Thereafter	211,251
	\$ 2,755,859

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

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 01, 2024	January 01, 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*	7.00%	7.00%
Projected Salary Increases*	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%	0.00%
* Includes Inflation at	2.50%	2.50%

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

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

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - Continued

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credits	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	<u>100%</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 Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - Continued

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 of The District’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate – Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Proportionate Share of Net Pension Liability/(Asset)	\$ 4,299,451	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of \$150,536 at a 7.00 percent discount rate and \$3,836,529 at a 8.00 percent discount rate.

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

NOTE 7 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - VOLUNTEERS

Plan Description - Effective January 1, 2002, the Donald Wescott Fire Protection District affiliated with the Fire and Police Pension Association of Colorado to administer its Volunteer Firefighter Pension Plan (Volunteer Plan) and to manage the plan’s assets and activities. The Volunteer Plan was transferred to the District upon final dissolution of Donald Wescott on December 31, 2024. The Volunteer Plan is included in an agent multiple employer Public Employee Retirement System (PERS) maintained in trust by FPPA. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. It operates under rules consistent with the enabling legislation in Title 31, Article 30, Part 11 of the Colorado Revised Statutes. While the District’s Volunteer Firefighter Pension Plan is pooled with other plans by FPPA, it is a separate plan and is administered by a board of trustees composed of District board members and volunteer firefighters, selected in accordance with Colorado state statutes. FPPA issues a publicly available annual comprehensive financial report that can be obtained at www.FPPAco.org. That report also includes the District’s Volunteer Firefighter Pension Plan.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – VOLUNTEERS –
Continued**

Benefits Provided - A volunteer firefighter electing to retire on or after the normal retirement date (the date on which he/she has attained fifty years of age and completed twenty years of active service) is eligible for a monthly pension approved by the board, in accordance with state statute. The monthly pension benefit for volunteer retirees is \$450. The Volunteer Firefighter Pension Plan also provides benefits for short- and long-term disability, survivors, and a one-time death benefit.

Memberships as of January 1, 2023:

Number of:	
Retirees and Beneficiaries	16
Inactive, Nonretired Members	<u>2</u>
Total	18

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

Methods and assumptions used to determine contribution rates for the Fiscal Year Ended December 31, 2023:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50.00% per year of eligibility until 100.00% at age 65
Mortality	<p>Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.</p> <p>Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p> <p>Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p>

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

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – VOLUNTEERS –
Continued**

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2023. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023, and as such, the Total Pension Liability was measured using those assumptions. Please see the comprehensive summary in the funding valuation as of January 1, 2023, for assumptions used to measure the Total Pension Liability as of December 31, 2023.

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

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

Projected cash flows used in determining the Single Discount Rate are available upon request.

Based on plan maturity metrics, it is expected that the assets of this plan will be transitioned to FPPA’s short-term pool within the next decade. Effective with the valuation as of January 1, 2025, the long-term expected rate of return will be changed to 6.00% to reflect this expectation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
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 Equity	35%	8.33%
Private Markets	34%	10.31%
Total	100%	

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – VOLUNTEERS –
Continued**

Sensitivity of the District’s Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate - Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan’s net pension liability/(asset), calculated using a Single Discount Rate of 7.00%, 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:

Single Discount Rate		
1% Decrease	Assumption	1% Increase
6.00%	7.00%	8.00%
\$ (36,367)	\$ (111,229)	\$ (175,148)

Pension Plan Fiduciary Net Position - Detailed information about the fiduciary net position is available in FPPA’s annual comprehensive financial report which can be obtained at www.FPPAco.org.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2024, the District reported an asset of \$111,229 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023.

For the year ended December 31, 2023, the District recognized pension benefit of \$30,229.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	\$ -	\$ 37,464
Changes in Assumptions	4,208	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	94,298	59,304
Total	\$ 98,506	\$ 96,768

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – VOLUNTEERS –
Continued**

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

Years Ending December 31,	Amortization
2025	\$ (18,359)
2026	(2,119)
2027	26,824
2028	(4,608)
	\$ 1,738

NOTE 8 – SECTION 457 DEFERRED COMPENSATION PLAN

The District offers its paid responder personnel an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457 (“457 Plan”). All compensation deferred under the 457 Plan, together with all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are to be held in trust for exclusive benefit of the participants and their designated beneficiaries. Compensation deferred under the 457 Plan is not available to participants until termination, retirement, death, or unforeseeable emergency. The 457 Plan is administered by FPPA.

Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. For the year ended December 31, 2024, employer and employee contributions totaled \$170,635 and \$335,509, respectively.

The individual participants determine investment decisions within the 457 Plan and, therefore, the 457 Plan’s investment concentration varies between the participants. The District, as trustee of the 457 Plan, has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the 457 Plan. Consequently, the 457 Plan is not part of the District’s financial statements.

NOTE 9 – FIRE & POLICE STATEWIDE DEATH & DISABILITY PLAN

Plan Description - The District contributes to the Statewide Death and Disability Plan (D&D Plan) administered by the FPPA. The D&D Plan is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the D&D Plan may include part-time police and fire employees. Contributions to the D&D Plan are used for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the D&D 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 Statewide Retirement Plan and the Statewide Death & Disability Plan. The D&D Plan was established in 1980 pursuant to Colorado Revised Statutes and currently has 270 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2023, who are covered by Social Security and have elected supplementary coverage by the D&D Plan.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – FIRE & POLICE STATEWIDE DEATH & DISABILITY PLAN – Continued

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

D&D Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

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

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

For purposes of this D&D Plan, a spouse includes a partner in a civil union.

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

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

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

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

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – FIRE & POLICE STATEWIDE DEATH & DISABILITY PLAN - Continued

Total Disability means the member is unable to engage in any substantial gainful activity due to a medically determined physical or mental impairment that may be expected to result in death or that has lasted or is expected to last at least 1 year.

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

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

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

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

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

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

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to this D&D Plan as of January 1, 1997. Effective January 1, 2023, the contribution rate increased to 3.4 percent of base salary and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and the member as determined at the local level. District contributions to the D&D Plan were \$304,866 for the year ended December 31, 2024.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 – RISK MANAGEMENT

The District maintains third-party coverage related to torts, theft of, damage to and destruction of assets; errors and omissions and natural disasters. There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the District's insurance coverage during the past three years.

For the year ended December 31, 2024, employees of the District were covered by a health insurance plan. District employees may increase coverage and add dependents to their policies at their expense through payroll deductions. Employees were also covered by dental and vision plans.

NOTE 11 – WORKER'S COMPENSATION COVERAGE

District employees are covered by an insurance plan that provides compensation for each employee of up to \$100,000 for bodily injury by accident, and up to \$500,000 for disease. For the year ended December 31, 2024, the District incurred costs of \$268,722 to provide this coverage.

NOTE 12 – NET POSITION AND FUND BALANCE

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024, the District had net investment in capital assets as follows:

Net Investment in Capital Assets	
Capital Assets, Net of Depreciation	\$ 14,063,304
Less: Lease-Purchase Liabilities	(2,036,935)
Net Investment in Capital Assets	<u><u>\$ 12,026,369</u></u>

A summary of restricted net position and fund balance is as follows:

Restriction	Net Position/ Fund Balance
TABOR Emergency Reserve	\$ 514,000
Impact Fee Capital Improvements	450,238
	<u><u>\$ 964,238</u></u>

In November 1992, the voters of Colorado approved the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X, of the Colorado Constitution. In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the District.

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

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 – NET POSITION AND FUND BALANCE - Continued

TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3 percent of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. As of December 31, 2024, \$514,000 is restricted for emergencies.

TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The District believes it has complied with all aspects of the TABOR amendment.

The District voters approved and authorized the District to collect, retain and spend for fire protection purposes all revenue from tax levies and all other District revenue as a voter approved revenue change and an exception to the limits which otherwise apply. This vote effectively removed the District from some provisions of TABOR.

Colorado Revised Statutes require that money collected from land development charges (impact fees) be deposited in an interest-bearing account which clearly identifies the category, account, or fund of capital expenditure for which such charge was imposed. As of December 31, 2024, the District had \$450,238 of unexpended impact fees. The unexpended impact fees are restricted for capital improvements.

The unrestricted component of net position is the net amount of assets that do not meet the definition of net investment in capital assets or restricted net position. The District's unrestricted net position as of December 31, 2024, totaled \$21,352,866.

NOTE 13 – CONTINGENCY

In 2006, the District's Board of Directors approved an impact fee for a five-year period. In 2015, the District discovered that impact fees authorized in 2006 were still being collected, more than five years since the original authorization. In 2016, the District ceased collection of impact fees and offered developer/builders, which provide sufficient proof to the District that it paid impact fees in the period October 1, 2011 through December, 31 2015, a settlement agreement. In exchange for a waiver and release of claims provided by the developer/builders, the District agreed to pay the developer/builder 50 percent of the impact fees collected since the original authorization expired. Impact fees collected during this time period were approximately \$634,000. In 2016, the District accrued a liability of \$317,000, equal to 50 percent of these impact fees. Requested reimbursements will be made out of the restricted impact fee funds (see NOTES 1 and 12).

As of December 31, 2023, the remaining accrued liability was \$166,892. At this time, it is possible developer/builders who have not signed waivers could pursue reimbursements for the entire amount of impact fees paid during the time period in question, approximately \$334,000. However, as of December 31, 2024, it was deemed that the statute of limitations pertaining to this contingency had expired. As such, no further contingency or related liability has been accrued.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 14 – INTERGOVERNMENTAL AGREEMENT

On August 28, 2022 (implementation date), the District entered into an intergovernmental agreement (IGA) with the Donald Wescott Fire Protection District to facilitate the intention to merge the two entities. Included among the contents of the IGA were the transfer of all Donald Wescott employees to the District, the provision of emergency services by Tri-Lakes Monument Fire Protection District to extend throughout the jurisdiction of Donald Wescott, the transfer of ownership of most real and personal property with the exception of a fire station and cash accounts, from Donald Wescott to the District, and the remittance of Donald Wescott's revenues earned from its operational mill levy, specific ownership tax, interest earnings on tax collections, and any other fees collected for services provided. At the discretion of Donald Wescott's Board of Directors, amounts shall be retained as deemed necessary to cover the costs of ongoing administration. During the year ended December 31, 2024, the District received \$4,688,364 of revenue from Donald Wescott pursuant to their contractual obligations in accordance with the IGA.

The express intent of this IGA was to create a special agency relationship between the two Districts wherein Tri-Lakes Monument Fire Protection District shall act in the capacity of an independent contractor to Donald Wescott. Notwithstanding the intention of the IGA to act as an interim step toward merging, the two entities remained separate and distinct from one another until the dissolution of Donald Wescott on December 31, 2024.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 22, 2025, the date on which the financial statements were available to be issued.

***REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)***

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) TO ACTUAL
YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenue				
Tax Receipts	\$ 16,113,973	\$ 16,113,973	\$ 17,054,202	\$ 940,229
Operating Revenue	5,705,482	5,705,482	1,619,529	(4,085,953)
Interest	20,000	20,000	130,621	110,621
Miscellaneous Revenue	210,000	210,000	278,869	68,869
IGA Revenue	4,139,982	4,139,982	4,688,364	548,382
Total Revenue	<u>26,189,437</u>	<u>26,189,437</u>	<u>23,771,585</u>	<u>(2,417,852)</u>
Expenditures				
Wages	10,052,459	10,052,459	10,169,078	(116,619)
Benefits	2,932,734	2,932,734	3,194,911	(262,177)
Administration	1,092,890	1,092,890	914,711	178,179
Buildings	205,000	205,000	164,319	40,681
Communications	434,000	434,000	279,208	154,792
Fire Prevention	12,500	12,500	9,170	3,330
Operational Equipment	630,395	630,395	450,169	180,226
Training and Education	228,770	228,770	123,726	105,044
Utilities	102,500	102,500	88,070	14,430
Vehicles	338,700	338,700	413,772	(75,072)
Miscellaneous Equipment	-	-	22,219	(22,219)
Capital Outlay	9,376,286	9,376,286	3,260,587	6,115,699
Debt Service	206,915	206,915	990,319	(783,404)
Total Expenditures	<u>25,613,149</u>	<u>25,613,149</u>	<u>20,080,259</u>	<u>5,532,890</u>
Revenues over Expenditures				
(Non-GAAP Basis)	<u>\$ 576,288</u>	<u>\$ 576,288</u>	<u>3,691,326</u>	<u>\$ 3,115,038</u>
GAAP Adjustments				
Accounts Receivable			520,994	
Ambulance Receivable, Net of Allowance			(95,591)	
Prepaid Expenses and Deposits			96,720	
Accounts Payable			(44,844)	
Accrued Salaries and Benefits			(21,292)	
Proceeds from Sale of Capital Assets			1,088,996	
Change in Fund Balance			5,236,309	
Beginning Fund Balance			<u>13,724,446</u>	
Ending Fund Balance			<u>\$ 18,960,755</u>	

See Independent Auditors' Report and Notes to Required Supplementary Information

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION (ASSET)/LIABILITY
FIRE POLICE STATEWIDE DEFINED BENEFIT PLAN
AS OF AND FOR THE YEAEER ENDED DECEMBER 31,
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's Proportion of the Net Pension (Asset)/Liability	0.77%	0.77%	0.58%	0.56%	0.57%
District's Proportionate Share of the Net Pension (Asset)/Liability	\$ -	\$ 686,736	\$ (3,117,229)	\$ (1,206,896)	\$ (320,207)
District's Covered Payroll	\$ 7,548,042	\$ 5,483,338	\$ 4,576,285	\$ 4,414,946	\$ 4,172,880
District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	0.00%	12.52%	-68.12%	-27.34%	-7.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	100.00%	97.60%	116.20%	106.70%	101.90%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension (Asset)/Liability	0.56%	0.48%	0.50%	0.50%	0.52%
District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 710,680	\$ (687,180)	\$ 179,319	\$ (8,871)	\$ (584,101)
District's Covered Payroll	\$ 3,765,200	\$ 2,793,943	\$ 2,539,791	\$ 2,439,344	\$ 2,419,163
District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	18.87%	-24.60%	7.06%	-0.36%	-24.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	95.20%	106.30%	98.21%	100.10%	106.80%

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

See Independent Auditors' Report and Notes to Required Supplementary Information

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FISCAL YEARS ENDED DECEMBER 31,
(UNAUDITED)**

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2024	\$ 894,620	\$ 894,620	\$ -	\$ 8,990,278	10.0%
2023	\$ 715,621	\$ 715,621	\$ -	\$ 7,548,042	9.5%
2022	\$ 493,501	\$ 493,501	\$ -	\$ 5,483,338	9.0%
2021	\$ 388,983	\$ 388,983	\$ -	\$ 4,576,285	8.5%
2020	\$ 352,171	\$ 352,171	\$ -	\$ 4,414,946	8.0%
2019	\$ 333,830	\$ 333,830	\$ -	\$ 4,172,880	8.0%
2018	\$ 301,217	\$ 301,217	\$ -	\$ 3,765,200	8.0%
2017	\$ 223,515	\$ 223,515	\$ -	\$ 2,793,943	8.0%
2016	\$ 203,183	\$ 203,183	\$ -	\$ 2,539,791	8.0%
2015	\$ 195,148	\$ 195,148	\$ -	\$ 2,439,344	8.0%

See Independent Auditors' Report and Notes to Required Supplementary Information

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
AND RELATED RATIOS - VOLUNTEER PLAN
LAST 10 FISCAL YEARS
(UNAUDITED)

Measurement Period Ending December 31,	<u>2023</u>
Total Pension Liability	
Interest on the Total Pension Liability	\$ 54,889
Benefit Payments	<u>(69,514)</u>
Net Change in Total Pension Liability	(14,625)
Total Pension Liability - Beginning	818,292
Total Pension Liability - Ending	<u><u>\$ 803,667</u></u>
Plan Fiduciary Net Position	
Pension Plan Net Investment Income	\$ 83,928
Benefit Payments	(69,514)
Pension Plan Administrative Expense	<u>(6,915)</u>
Net Change in Plan Fiduciary Net Position	7,499
Plan Fiduciary Net Position - Beginning	907,397
Plan Fiduciary Net Position - Ending	<u><u>\$ 914,896</u></u>
Net Pension Liability/(Asset) - Ending	\$ (111,229)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.84%
Covered Payroll	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A

Information is only available beginning in fiscal year 2023. Complete 10-year information will be presented in future years, as it becomes available.

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VOLUNTEER PLAN
FISCAL YEARS ENDED DECEMBER 31,
(UNAUDITED)**

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2023	\$ 2,889	\$ -	\$ 2,889	N/A	N/A

Information is only available beginning in fiscal year 2023. Complete 10-year information will be presented in future years, as it becomes available.

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

**TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

BUDGETARY INFORMATION

Tri-Lakes Monument Fire Protection District (District) adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

The District is required to adopt an annual operating budget. The budget is adopted on the cash basis of accounting, which is a non-GAAP basis. During September, the proposed budget is submitted to the Board of Directors by the budget officer for the fiscal year commencing the following January 1. The budget includes proposed expenditures and means of financing them. Public hearings are conducted by the Directors to obtain taxpayer comments. Prior to December 31, the budget is adopted, and appropriations made by formal resolution.

Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund or changes in project or department budgets. Budget amounts included in the financial statements are based on the final, legally amended budget. Budget appropriations lapse at the end of each year. Appropriations may increase during the fiscal year provided unanticipated revenue offsets them.

PENSION INFORMATION

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

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

Intergovernmental Agreement – As a result of the intergovernmental agreement between the District and Donald Wescott Fire Protection District (Donald Wescott) (see Note 14 to the financial statements), all employees of Donald Wescott were transferred to the District during the year ended December 31, 2023. Therefore, the District's statewide retirement pension contributions and covered payroll for 2023, measurement year 2022, reflect disproportionate increases compared to years prior to 2023.

The volunteer pension plan was not transferred to the District until final dissolution of Donald Wescott as of December 31, 2024. Accordingly, only one year of information is presented in the related schedules.