

ADAMS COUNTY FIRE PROTECTION DISTRICT
Financial Statements and Independent Auditors' Report

For the year ended December 31, 2024





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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Adams County Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities, the fiduciary activities, and each major fund of the Adams County 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, the fiduciary activities, and each major fund of the District, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

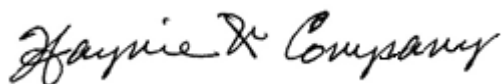
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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



Littleton, CO
July 29, 2025

Management's Discussion & Analysis

ADAMS COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) of the Adams County Fire Protection District (“District”) introduces readers to the financial statements that follow and provides an overview of the District’s financial activities for the year ended December 31, 2024. Readers should review this MD&A in conjunction with the financial statements and the notes to the financial statements to broaden their understanding of the District’s financial performance.

Overview of Financial Statements: The District’s basic financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund financial statements; and, 3) Notes to the financial statements. This report contains other supplemental information in addition to the basic financial statements.

Using the Basic Financial Statements: These financial statements consist of this MD&A (this section) and a series of financial statements including notes to those statements. The statements are organized to enable the reader to understand the District as an entire operating entity. The financial statements then proceed to provide an increasingly detailed look at specific financial activities.

Governmental-wide Financial Statements: The government-wide financial statements detail District operations principally supported by property tax revenues, and charges for services. The governmental activity of the District is public safety, consisting of all hazards, fire, and EMS services. The District’s government-wide financial statements can be found on pages 4 and 5 of this report.

The Statement of Net Position is the delta between both the short-term and the long-term position of the District’s assets, deferred inflows/outflows and liabilities. Increases or decreases in the net position may be useful as an indicator if the District is improving or deteriorating in its financial position.

Statement of Activities shows how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Fund Financial Statements: Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances on current financial resources. The District reports the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balance. Fund financial statements are presented on pages 6 through 9.

Notes to Financial Statements: The notes to the financial statements provide additional information to the reader to fully understand the data provided in the aforementioned statements and funds. The notes are found on pages 10 – 44 of this report.

Financial Analysis for the District as a Whole: The District saw an overall increase of revenues in 2024 of about \$8.6 million (21%), mostly due to increased property values, while

expenses increased from 2023 to 2024 by \$3.0 million (11%), due mostly to increased health care costs, new positions and wages increases.

Condensed statement of net position and statement of activities 2024 are as follows:

Statement of Net Position	
Year Ended December 31,	
Assets	<u>2024</u>
Current assets	\$ 68,301,286
Capital assets, net and other non-current assets	20,974,835
Deferred outflows of resources	<u>7,147,958</u>
Total assets and deferred outflows	<u>96,424,079</u>
Liabilities and Deferred Inflows of Resources	
Current liabilities	481,741
Non-current liabilities	12,098,066
Deferred inflows of resources	<u>30,086,494</u>
Total liabilities and deferred inflows of resources	<u>42,666,301</u>
Net Position	
Net investment in capital assets	12,737,474
Restricted	838,842
Unrestricted	<u>40,181,462</u>
Total net position	<u>\$ 53,757,778</u>
Statement of Activities	
Year Ended December 31,	
Revenue	<u>2024</u>
Property taxes	\$ 32,416,673
Specific ownership taxes	1,500,436
Interest	1,809,591
Charges for services	2,511,776
Operating grants and contributions	2,240,798
Fees	183,437
Other income	<u>131,764</u>
Total revenue	<u>40,794,475</u>
Expenses	
Public safety	27,190,143
Interest and related costs on debt	<u>317,784</u>
Total program expenses	<u>27,507,927</u>
Change in Net Position	13,286,548
Net Position—Beginning of Year	<u>40,471,230</u>
Net Position—End of Year	<u>\$ 53,757,778</u>

NONSPENDABLE FUND BALANCE:

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

At the end of year 2024, the District had no nonspendable funds.

RESTRICTED FUND BALANCE:

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation. The District's restricted funds include the emergency reserve funds required by Article X, Section 20 of the Colorado Constitution, commonly referred to as the Taxpayer's Bill of Rights ("TABOR") and the Bond Debt Service Fund. TABOR requires that the District establish an emergency reserve of 3% of the District's fiscal year spending, excluding bonded debt service. At the end of year 2024, the District's TABOR reserve balance was \$838,842.

COMMITTED FUND BALANCE:

Committed fund balance is the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

As of December 31, 2024, there are no committed fund balances.

ASSIGNED FUND BALANCE:

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The District assigns funds for specific uses, either as contingencies or for capital projects. Within the General Fund, \$8,590,435 is assigned for various uses, including Health Benefits (\$1,226,875), Sick Leave (\$1,771,280) and Stabilization Reserve (\$5,592,280). Within the Capital Reserve Fund, \$10,888,724 is assigned for various uses, including SCBA, Radio, PPE and Allied equipment Replacement (\$235,830), Impact Fees (\$968,998), Major Equipment Replacement (\$810,221), and Stations and Grounds (\$8,873,675). The District has a long-term apparatus and equipment replacement plans that it uses to guide the replacement of apparatus and saving funds for those purchases. These funds fluctuate depending on apparatus and equipment needs in a given year.

UNASSIGNED FUND BALANCE:

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

At the end of 2024, the District's General Fund unassigned balance was \$14,689,374, which was about \$2 million higher than than the prior year. Among other uses, the unassigned funds ensure the District meet its business needs between beginning of a fiscal year and when the District begins receiving significant property tax revenues in that fiscal year, usually about mid-March.

In general, the District strives to have 25% of its annual revenues in the unassigned fund balance at year-end to carry-over to the following year to meet its business needs.

General Fund Budget Highlights:

Total actual revenues were about \$4.5 million more than anticipated, due mostly to an increase in property taxes and EMS charges. Lower than expected administrative costs and capital outlay resulted in actual expenditures being about \$1.2 million below budget. This provided a total favorable variance of about \$1.7 million. The total General Fund balance at the end of 2024 was \$24,118,651.

Capital Assets Highlights:

Interest income of \$465K were about \$425K more than budgeted. Expenditures were significantly lower than budgeted due to anticipated acquisitions and projects not taking place. A transfer of funds from the General Fund of \$4,683,992 was also added to the Capital Reserve Fund, which the District will use for future projects and purchases, including SCBAs, radios, apparatus, impact fees, station/grounds and PPE. The Capital Reserve Fund had a balance of \$13,847,962 at the end of 2024.

Long-Term Debt:

The District has the following outstanding balances on lease-purchase financing obligations: \$300,000 for administrative office remodel, \$7,265,000 for the Fire Station 11 construction; and, \$242,186 for the Fire engine lease purchase. The District structured the foregoing financial obligations to be paid from the District's on-going annual revenue collections.

Economic Factors and Next Year's Budget and Rates:

In 1982, Colorado's voters passed an amendment to Article X, § 3(1)(b) of the Colorado Constitution, which is commonly referred to as the "Gallagher Amendment". The purpose of the Gallagher Amendment was to permanently establish a ratio between total statewide assessed values of residential property ("RAR") and all other types of property, which are collectively referred to as "non-residential". At the time, residential property's share of statewide revenue was 44.6%, as compared to 55.4% for nonresidential property ("Gallagher Split"), based on a RAR of 21% and 29% for nonresidential property. The Gallagher Amendment requires the Colorado General Assembly to adjust the RAR up or down, as necessary, in order to maintain the Gallagher split, while the nonresidential assessment rate remains fixed at 29%.

Since the passage of the Gallagher Amendment, the growth in the aggregate statewide valuation of residential property has typically outpaced that of nonresidential property, which over time has resulted in a significant downward adjustment to the RAR. The on-going reduction in the RAR has been exacerbated by the fact that the Gallagher Amendment functioned only as a downward ratchet on the RAR because the Colorado Legislature believes that TABOR requires a statewide election when the Gallagher Amendment would otherwise call for an increase to the RAR. In 2018, the Colorado Legislature reduced the RAR from 7.2% to 7.15%. The Gallagher has since been repealed, and the state legislators continue to work to find ways to ease the burden caused by rapidly rising property values, and have further refined the property tax classes and lowered assessment rates.

The property tax the District certified in December of 2023 (for revenue collections in 2024) was set at 17.439 mills. The District plans to build the funds in assigned accounts for future

needs, including a major remodel of Station 14 and relocation of Station 13.

In 2024, the District assessed a levy of 17.270 to be collected in 2025.

The District submitted two ballot measures to its voters in May 2020, each of them passed by a wide margin and with a large voter participation. Ballot Issue 5A is a tax extension, which received voter authorization to convert 1 mill of debt service property tax to a general operations property tax in 2022 (2023 budget) when the District pays off the 2011 Series General Obligation Bonds. Ballot Issue 5B received voter authorization for the District to increase or decrease its property tax (mill levy) rate to adjust for any future increases or decreases in the RAR. The District will monitor ongoing efforts to alter tax assessment rates, including the impacts of Proposition HH, which is scheduled to be on the Colorado ballot in November 2023 that will alter property tax exemptions.

Management successfully implemented impact fees through Adams County for new developments in the District, which has helped with the loss of revenues due to the reduction in the RAR in recent years caused by the Gallagher Amendment.

Since 2018, the District has realized revenues of \$1,685,054 from these impact fees.

Requests for information:

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information in this report or requests for additional information should be addressed to:

Adams County Fire Protection District
8055 Washington Street
Denver, Colorado 80229.

Basic Financial Statements

ADAMS COUNTY FIRE PROTECTION DISTRICT
Statement of Net Position
December 31, 2024

Assets	<u>Governmental Activities</u>
Current assets:	
Cash and cash equivalents	\$ 37,157,792
Cash held with county treasurer	95,735
Property taxes receivable	29,890,707
Due from other funds, net	132,067
Other receivables	1,024,985
Total current assets	<u>68,301,286</u>
Long-Term assets:	
Capital assets, non depreciable	1,758,351
Capital assets, net of accumulated depreciation	19,216,484
Total long-term assets	<u>20,974,835</u>
Total assets	<u>\$ 89,276,121</u>
Deferred Outflows of Resources	
Deferred outflows related to pension	7,147,958
Total deferred outflows of resources	<u>7,147,958</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 442,796
Accrued interest	38,945
Total current liabilities	<u>481,741</u>
Noncurrent liabilities:	
Due within one year	408,424
Due in more than one year	7,398,762
Debt premium	430,175
Accrued compensated absences	2,361,706
Net pension liability	1,498,999
Total noncurrent liabilities	<u>12,098,066</u>
Deferred Inflows of Resources	
Deferred property tax revenue	29,890,707
Deferred membership revenue	1,170
Deferred inflows related to pension	194,617
Total deferred inflows of resources	<u>30,086,494</u>
Net Position	
Net investment in capital assets	12,737,474
Restricted for TABOR	838,842
Unrestricted	40,181,462
Total net position	<u>\$ 53,757,778</u>

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

ADAMS COUNTY FIRE PROTECTION DISTRICT
Statement of Activities
December 31, 2024

<u>Functions/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities				
Firefighting	18,530,305	\$ -	\$ -	\$ (18,530,305)
Administration	1,389,663	-	8,550	(1,381,113)
Utilities	255,507	-	-	(255,507)
Communications	624,144	-	-	(624,144)
Medical	2,404,905	-	-	(2,404,905)
Station and grounds	208,910	-	-	(208,910)
Station supplies	49,585	-	-	(49,585)
Information technology	231,723	-	-	(231,723)
Ambulance	194,046	2,328,222	2,232,248	4,366,424
Training	293,678	-	-	(293,678)
Fire prevention	46,412	183,554	-	137,142
Equipment and maintenance	1,392,842	-	-	(1,392,842)
Special operations	390,267	-	-	(390,267)
Depreciation	1,126,626	-	-	(1,126,626)
Loss of disposal of assets	51,530	-	-	(51,530)
Interest on long-term debt	317,784	-	-	(317,784)
Total governmental activities	<u>\$ 27,507,927</u>	<u>\$ 2,511,776</u>	<u>\$ 2,240,798</u>	<u>\$ (22,755,353)</u>

General revenues:

Property taxes	32,416,673
Specific ownership taxes	1,500,436
Interest	1,809,591
Impact fees	183,437
Miscellaneous	131,764
Total General Revenues	<u>36,041,901</u>

Change in net position

Change in net position	13,286,548
Net position - beginning of year	40,471,230
Net position - end of year	<u>\$ 53,757,778</u>

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

ADAMS COUNTY FIRE PROTECTION DISTRICT

Governmental Funds Balance Sheet

December 31, 2024

	General Fund	Capital Reserve	Special Event	Total
Assets:				
Cash and investments (Note 2)	\$ 23,765,113	\$ 13,392,679	\$ -	\$ 37,157,792
Cash with county treasurer	95,735	-	-	95,735
Receivables				
Property taxes	29,890,707	-	-	29,890,707
Medical billing accounts (net)	937,018	-	-	937,018
Due from other funds	132,067	524,800	-	656,867
Other	84,872	3,095	-	87,967
Total assets	\$ 54,905,512	\$ 13,920,574	\$ -	\$ 68,826,086
 Liabilities:				
Accounts payable	\$ 370,062	\$ 72,612	\$ -	\$ 442,674
Credit card payable	122	-	-	122
Due to other funds	524,800	-	-	524,800
Total liabilities	894,984	72,612	-	967,596
 Deferred inflows of resources:				
Deferred membership revenue	1,170	-	-	1,170
Deferred property taxes	29,890,707	-	-	29,890,707
Total deferred inflows of resources	29,891,877	-	-	29,891,877
Total liabilities and deferred inflows of resources	30,786,861	72,612	-	30,859,473
 <u>Fund Balances/Net Position</u>				
Fund Balances:				
Restricted				
Emergencies - TABOR reserve	838,842	-	-	838,842
Assigned				
SCBA equipment	-	75,000	-	75,000
Radio Reserve	-	45,000	-	45,000
Impact fees	-	968,998	-	968,998
Major equipment	-	810,221	-	810,221
PPE	-	60,830	-	60,830
Allied Equipment	-	55,000	-	55,000
Station and grounds	-	8,873,675	-	8,873,675
Health	1,226,875	-	-	1,226,875
Sick leave	1,771,280	-	-	1,771,280
Stabilization for future use	5,592,280	-	-	5,592,280
Unassigned	14,689,374	2,959,238	-	17,648,612
Total fund balance	24,118,651	13,847,962	-	37,966,613
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,905,512	\$ 13,920,574	\$ -	\$ 68,826,086

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

ADAMS COUNTY FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Fund Balance Sheet
With the Government-Wide Statement of Net Position
December 31, 2024

Fund Balance - Total Governmental Fund \$ 37,966,613

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

Cost of capital assets	36,174,122	
Less accumulated depreciation and amortization	<u>(15,199,287)</u>	20,974,835

Net pension asset and liability amounts and the related deferred inflows and deferred outflows of resources are not current financial resources or due and payable in the current period and therefore are not reported in the fund financial statements.

Deferred outflows of resources related to pension	7,147,958	
Net pension liability	(1,498,999)	
Deferred inflows of resources related to pension	<u>(194,617)</u>	5,454,342

Long-term liabilities, consisting of long-term debt, financed purchases, and compensated absences, are not due from current financial resources, and therefore are not reported as liabilities in the governmental funds balance sheet.

Accrued interest	(38,945)	
Accrued absences (Note 5)	(2,361,706)	
Long-Term Debt	(7,807,186)	
Debt premium	<u>(430,175)</u>	(10,638,012)

Net position of governmental activities **\$ 53,757,778**

ADAMS COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2024

	General Fund	Capital Reserve	Special Event	Total Governmental Funds
Revenues:				
General property taxes	\$ 32,416,673	\$ -	\$ -	\$ 32,416,673
Specific ownership taxes	1,500,436	-	-	1,500,436
Interest	1,344,303	465,288	-	1,809,591
Charges for services	4,744,024	-	-	4,744,024
Grant revenue	8,550	-	-	8,550
Impact fees	-	183,437	-	183,437
Other income	124,264	7,500	-	131,764
Total revenues	40,138,250	656,225	-	40,794,475
Expenditures/expenses:				
Fire protection:				
Current:				
Firefighting	20,522,491	-	-	20,522,491
Administration	1,381,478	8,185	-	1,389,663
Utilities	255,507	-	-	255,507
Communications	624,144	-	-	624,144
Medical	2,404,905	-	-	2,404,905
Station and grounds	208,910	-	-	208,910
Station supplies	49,585	-	-	49,585
Information technology	231,723	-	-	231,723
Ambulance	194,046	-	-	194,046
Training	293,678	-	-	293,678
Fire prevention	46,412	-	-	46,412
Equipment and maintenance	1,182,996	209,846	-	1,392,842
Special operations	390,267	-	-	390,267
Capital outlay	175,259	1,273,647	-	1,448,906
Debt service:				
Principal	-	401,206	-	401,206
Interest	-	355,931	-	355,931
Total expenditures	27,961,401	2,248,815	-	30,210,216
Excess (deficiency) of revenues over expenditures	12,176,849	(1,592,590)	-	10,584,259
Other financing sources/(uses):				
Transfers-internal activities	(4,645,729)	4,683,992	(38,263)	-
Total other financing sources (uses)	(4,645,729)	4,683,992	(38,263)	-
Change in fund balances	7,531,120	3,091,402	(38,263)	10,584,259
Fund balance:				
Beginning of year	16,587,531	10,756,560	38,263	27,382,354
End of year	\$ 24,118,651	\$ 13,847,962	\$ -	\$ 37,966,613

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

ADAMS COUNTY FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes In Fund Balances of Governmental Activities
To The Statement of Activities
December 31, 2024

Net change in fund Balance - governmental funds \$ 10,584,259

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.

Change in compensated absences 531,570

Changes in assets, liabilities, deferred outflows of resources, and deferred inflows of resources related to the District's defined benefit and volunteer retirement plans are recognized on the statement of activities and are not reflected as an expense on the statement of revenues, expenditures, and changes in fund balance. 1,460,616

The issuance of long-term debt (e.g. lease purchases and other debt) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayment of long-term debt 401,206

Amortization of bond premium 32,793

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report depreciation and amortization expense, the allocation of the cost of any depreciable asset over their estimated useful life of the asset. Therefore, this is the amount of capital outlay, net of depreciation and amortization expense, in the current period.

Loss of disposal of assets	(51,530)	
Capital outlay	1,448,906	
Depreciation	<u>(1,126,626)</u>	270,750

Interest expense in the statement of activities differs from the amount reported in governmental funds. Additional accrued interest was calculated for bonds payable and leases.

Change in accrued interest 5,354

Change in net position of governmental activities **\$ 13,286,548**

ADAMS COUNTY FIRE PROTECTION DISTRICT

Statement of Fiduciary Net Position

SWAC Volunteer Pension

December 31, 2024

Assets

Cash	\$	57,846
Investments		965,091
Cash surrender value of life insurance		<u>91,994</u>
Total Assets	\$	<u><u>1,114,931</u></u>

Liabilities

Due to other funds	\$	<u>132,067</u>
Total Liabilities		<u>132,067</u>

Net Position

Net position - reserved		
Reserved for retirement benefits		<u>982,864</u>
Total Net Position		<u>982,864</u>
Total Liabilities and Net Position	\$	<u><u>1,114,931</u></u>

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

ADAMS COUNTY FIRE PROTECTION DISTRICT

SWAC Voluteer Pension

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2024

	<u>Actual</u>
Additions:	
Contributions	\$ 175,000
Earnings (loss) on investments	<u>80,783</u>
Total Additions	255,783
Deductions:	
Benefits paid to retirees	262,800
Administration of fund	9,290
Other expenses	<u>8,012</u>
Total Deductions	280,102
Changes in plan net position	(24,319)
Net position, beginning of year	<u>1,007,183</u>
Net position, end of year	<u><u>\$ 982,864</u></u>

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

Adams County Fire Protection District

Notes to Financial Statements

December 31, 2024

1. Definition of Reporting Entity

The Adams County Fire Protection District (the “District”) provides emergency services to the northern metro area of Denver, Colorado. Effective May 7, 2014, the District’s legal name changed from North Washington Fire Protection District to Adams County Fire Protection District, also doing business as Adams County Fire Rescue. The name change occurred in connection with a merger between the District and the Southwest Adams County Fire Protection District (SWAC), effective January 1, 2015.

2. Summary of Significant Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The District uses funds to maintain its financial records during the year.

Reporting Entity

For financial reporting purposes, management has considered all potential component units in defining the District. The basic criterion for including a potential component unit is the District’s ability to exercise significant operational control or financial accountability over the potential component unit. Financial relationship or operational control is determined on the basis of the District’s obligation to fund deficits, responsibility for debt, budgetary authority, fiscal management, selection of governing authority and/or management and the ability to significantly influence operations.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Basis Of Presentation

The District’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities. The government-wide financial statements report information for the District as a whole.

Individual funds are not displayed at this financial reporting level. Internal balances and activity are eliminated at the government-wide level.

The statement of net position presents the financial position of the governmental activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds (the Pension Trust). The activity of the fiduciary funds is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Non-major Governmental Funds."

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. The District reports the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balances. The following are the District's major governmental funds:

- *General* - This fund accounts for general operations and for financial resources of the District that are not accounted for in other funds. Primary sources of revenue are property taxes and interest on deposits. The major expenditures are for personnel and services. The General Fund also accounts for the District's health benefit activity.
- *Capital Reserve* - This fund is used to account for the accumulation of resources for, and the payment for the purchase of, capital improvements and equipment. The primary source of revenues is transfers from the General Fund and grant revenue.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Fiduciary Fund - This fund is used for assets held by the District in a trustee capacity and is presented in accordance with the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Pension Trust - This fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. This fund is accounted for on the accrual basis of accounting.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are taken into account when they are earned, regardless of when they are collected; expenditures are reflected as soon as the liabilities are incurred, regardless of when they are paid. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and these funds use the modified accrual basis of accounting whereby 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, (“GASB No. 33”) the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying nonexchange transaction occurs, when an enforceable legal claim has arisen., when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Governmental funds are used to account for all or most of the government’s general activities.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations are at the total fund level and lapse at fiscal year-end. The Fire Chief submits the proposed budget to the Board of Directors prior to the October 15 statutory deadline for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to December 15, the budget is legally enacted through passage of a resolution. Formal budgetary integration is employed as a management control tool during the year for the District's funds.

Cash and Cash Equivalents

The District considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these instruments.

Investments

Investments are measured at fair value in accordance with the Governmental Accounting Standard Board Statement No. 72, Fair Value Measurement and Application.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds for the goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. The interfund balances are eliminated at the government-wide level, except for the residual balances between the governmental activities and the Pension Trust Fund.

Other Receivables

Other receivables consist of short-term receivables that the District expects to collect within the next fiscal year.

Capital Assets

General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the fund financial statements.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

All capital assets are recorded at cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value on the date donated. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. 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 capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Building/Improvements	10-30 years
Equipment and vehicles	5-20 years

Compensated Absences

Accrued vacation and sick leave represent amounts earned, but not paid or taken, as of year-end, in accordance with GASB Statement No. 101. The District's sick leave policy allows accumulation of up to 2,160 hours. A total of either 16 hours (line personnel) or 8 hours (administrative employees) of sick leave is earned on the 1st of each month following an employee's hire date. After 10 years of service, employees are partially vested in their accrued but unused sick leave, with the vesting increasing each year per an approved vesting schedule, with a maximum vesting of 100%. Unused and vested sick leave hours are paid upon separation of employment.

The vested portion of accrued sick leave is shown as a liability in the governmental statement of net position and is liquidated out of the General Fund. Vacation time is accrued on January 1 and must be taken within 1 year of the accrued date; therefore, no accrual is made for unused vacation time.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The deferred charge on advanced refunding is recorded as a deferred outflow. A deferred charge on advanced refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for defined benefit pension plans.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as a deferred inflow. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available, at both the governmental fund level and in the period the taxes are levied at the government-wide reporting level. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for defined benefit pension plans.

Fund Balance/Net Position

Fund balance for governmental funds is reported in various categories based on the nature of limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. The following classifications describe the relative strength of the spending constraints.

Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact

Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation

Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to motions or resolutions passed by the Board of Directors, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through motions or resolutions approved by the Board of Directors.

Assigned - includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Fire Chief or designee.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the District considers restricted funds to have been spent first. Although not included in a formal policy, the District considers decreases to fund balance to first reduce committed, then assigned and then unassigned balances, in that order.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Pensions

The District participates in four defined benefit pension plans. For purposes of measuring the net pension (assets) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension income/expense, information about the fiduciary net position of pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates. The District believes the techniques and assumptions used in establishing these estimates are appropriate.

Recently Issued Accounting Pronouncements

In 2024, the District implemented GASB Statement No. 101, Compensated Absences. Under the District's leave policy in effect as of December 31, 2024, vacation leave is accrued based on years of service and is fully payable upon separation; therefore, it is recognized as a liability when earned. Sick leave is accrued up to a maximum of 2,160 hours but is only payable upon separation to employees with at least ten years of continuous service, in accordance with a vesting schedule. As such, only the portion expected to be paid is recognized as a liability. Part-time and temporary employees accrue limited sick leave and are not eligible for vacation leave. In accordance with GASB 101, a liability has been recorded for vacation and sick leave balances that were both earned and expected to be used or paid as of year-end.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

3. Cash, Cash Equivalents, and Investments

	December 31, 2024
Cash deposits	\$ 2,069,524
Investments	35,088,268
Cash with County Treasurer	95,735
Total Governmental Activities	\$ 37,253,527
Cash, Pension Trust, bank	\$ 57,846
Pension Trust Fund investments	965,091
Total Pension Trust	\$ 1,022,937

Custodial Credit Risks – Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. As of December 31, 2024, the District’s deposits were not exposed to credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation or collateralized in accordance with PDPA.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- certificates of deposit with an original maturity in excess of three months
- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers’ acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

3. Cash, Cash Equivalents, and Investments (continued)

- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

The District had invested \$35,088,268 in Colorado Government Liquid Asset Trust (COLOTRUST) as of December 31, 2024. The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAsf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

The District had the following investments at December 31, 2024:

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

3. Cash, Cash Equivalents, and Investments (continued)

Investment Type	S&P Rating	Fair Value	Less Than 1 Year	1 To 5 Years
Local government investment pools	AAAm	\$ 35,088,268	\$35,088,268	\$ —
Total Government Activities		\$ 35,088,268	\$ 35,088,268	\$ —

The District also has the following investments reported in the Pension Trust Fund as of December 31, 2024:

Investment Type	Fair Value	Allocation
Fixed income and other	\$ 425,670	44%
Equities	\$ 484,601	56%
Total	\$ 965,091	100%

Interest Rate Risk - The District's investment policy states that investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs. The period from the date of purchase of an investment to its maturity date will be three years or less, or as authorized by the District Board, as a means of limiting exposure to fair value losses arising from prevailing market interest rates.

Credit Risk - The District's investment policy is to apply the prudent person rule, where investments are made as a prudent person would be expected to act.

The District's investment policy requires that investments in local government investment pools and authorized money market fund investments must maintain an AAA rating from a nationally recognized independent rating agency.

Concentration Of Credit Risk - It is the policy of the District to diversify its use of investment instruments. Investments shall be diversified to avoid incurring unreasonable risks of loss inherent in over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The asset allocation in the portfolio should, however, be flexible, depending on the outlook of the economy, the securities market and the District's anticipated cash flow needs.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

3. Cash, Cash Equivalents and Investments (continued)

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices 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 in the Pension Trust Fund have a Level 1 fair value measurement as of December 31, 2024.

<u>Investment Type</u>	<u>December 31, 2024</u>	<u>Level 1</u>	<u>Total</u>
Fixed income	\$ 425,670	\$ 425,670	\$ 425,670
Equities	484,601	484,601	484,601
Total	\$ 965,091	\$ 965,091	\$ 965,091

Mutual Funds - These are public investment vehicles, valued using the fair value per share (unit) provided by the administrator of the fund. The fair value per unit is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The fair value per unit is the quoted price in an active market and classified within Level 1 of the valuation hierarchy.

Common Stocks - These are publicly traded and valued at the per share closing price reported on the active market on which the individual securities are traded.

4. Interfund Transactions

The District had the following interfund receivables and payables in 2024:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 132,067	\$ 524,800
Capital Fund	524,800	-
Pension Fund	-	132,067
Total	\$ 656,867	\$ 656,867

5. Accounts Receivable

The District considers all receivables, other than medical billing receivables, to be fully collectible. The allowance for doubtful medical billing accounts totaled \$15,241 as of December 31, 2024. The allowance is estimated using past collection rates and trends for emergency medical revenue billed, net of contractually adjusted write-offs.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

6. Capital Assets

The following table presents capital asset activity of the District for the year ended December 31, 2024:

Governmental activities:	Balance at December 31, 2023	Additions	Disposals/ Retirements	Balance at December 31, 2024
Capital assets, not being depreciated:				
Land	\$ 973,188	\$ -	\$ -	\$ 973,188
Vehicles in progress	785,163	-	(785,163)	-
Total Capital assets, not being depreciated	<u>1,758,351</u>	<u>-</u>	<u>(785,163)</u>	<u>973,188</u>
Capital assets, being depreciated:				
Buildings and Improvements	22,832,203	89,456	(253,718)	22,667,941
Transportation equipment	8,419,949	1,480,643	(221,554)	9,679,038
Office and administration	2,845,736	663,970	(655,751)	2,853,955
Total capital assets being depreciated/amortized	<u>34,097,888</u>	<u>2,234,069</u>	<u>(1,131,023)</u>	<u>35,200,934</u>
Accumulated depreciation	<u>(15,152,154)</u>	<u>(1,126,626)</u>	<u>1,079,493</u>	<u>(15,199,287)</u>
Total Capital Assets, Depreciated, Net	<u>18,945,734</u>	<u>1,107,443</u>	<u>(51,530)</u>	<u>20,001,647</u>
Total Capital Assets, Net	<u>\$ 20,704,085</u>	<u>\$ 1,107,443</u>	<u>\$ (836,693)</u>	<u>\$ 20,974,835</u>

Depreciation was charged to the functions/programs of the primary government as follows:

Governmental Activities Firefighting	<u>\$ 1,126,626</u>
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7. Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended December 31, 2024, the following changes occurred in long-term liabilities reported for governmental activities:

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

7. Long-Term Liabilities (continued)

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Amounts Due Within One Year
North Valley Bank Lease	\$ 450,000	\$ -	\$(150,000)	\$ 300,000	\$ 150,000
Certificates of Participation (COP) Series 2018	7,440,000	-	(175,000)	7,265,000	180,000
Premium - COP	462,968		(32,793)	430,175	-
Lease purchase - Fire engine	318,392	-	(76,206)	242,186	78,424
Total	<u>8,671,360</u>	<u>-</u>	<u>(433,999)</u>	<u>8,237,361</u>	<u>408,424</u>
Compensated absences	<u>2,893,275</u>	<u>-</u>	<u>(531,569)</u>	<u>2,361,706</u>	<u>-</u>
Total long-term liabilities	<u>\$ 11,564,635</u>	<u>\$ -</u>	<u>\$(965,568)</u>	<u>\$ 10,599,067</u>	<u>\$ 408,424</u>

The District entered into lease-purchase financing with North Valley Bank (the Bank) on February 8, 2017, to finance the renovation and equipping of Fire Station No. 14 located at 8055 North Washington Street, Denver, Colorado, and pay costs of issuance in connection with the financing. The lease is secured by certain property of the District. In connection with the lease, the District borrowed \$1,500,000 which will be paid back in annual installments beginning April 30, 2017, with final payment due April 30, 2026. Net book value of the asset at December 31, 2024 is \$ 1,177,093. Upon maturity of the lease, the District has an option to purchase the Bank's interest for \$1. The following is a summary of debt service requirements to maturity:

	Principal	Interest	Total
2025	\$ 150,000	\$ 8,700	\$ 158,700
2026	<u>150,000</u>	<u>4,350</u>	<u>154,350</u>
Total	<u>\$ 300,000</u>	<u>\$ 13,050</u>	<u>\$ 313,050</u>

Certificates Of Participation

The District entered into lease-purchase financing with Zions Bank on April 30, 2018. In connection with the lease, COPs Series 2018 were issued to finance certain capital improvements for the District. The 2018 COPs were issued in the amount of \$8,545,000 and mature in December 2047.

The proceeds of the issue were placed in a project account to provide funds for certain capital improvements for the District and to pay the costs of issuing the COPs. The COPs bear interest at rates ranging from 3.0% to 5.0% per annum. Principal and interest payments are due semiannually on June 1 and December 1, and payments range from \$150,000 to \$495,000. The following is a summary of debt service requirements to maturity:

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

7. Long-Term Liabilities (continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 180,000	\$ 327,263	\$ 507,263
2026	185,000	321,863	506,863
2027	195,000	316,313	511,313
2028	205,000	306,563	511,563
2029	215,000	296,312	511,312
2030-2034	1,245,000	1,309,563	2,554,563
2035-2039	1,590,000	965,313	2,555,313
2040-2044	2,020,000	480,313	2,500,313
2045-2047	<u>1,430,000</u>	<u>160,125</u>	<u>1,590,125</u>
Total	<u>\$ 7,265,000</u>	<u>\$ 4,483,626</u>	<u>\$ 11,748,626</u>

The District entered into lease-purchase financing for fire apparatus dated February 25, 2022. Total acquisition cost of the fire apparatus was \$785,163, and the total amount financed was \$392,443. Net book value of the asset at December 31, 2024 is \$785,163. Payments are to be made in annual installments beginning February 25, 2023, with final payment due February 25, 2027.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 78,424	\$ 7,048	\$ 85,472
2026	80,706	4,766	85,472
2027	<u>83,056</u>	<u>2,416</u>	<u>85,472</u>
Total	<u>\$ 242,186</u>	<u>\$ 14,230</u>	<u>\$ 256,416</u>

8. Operating Leases

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases on January 1, 2022. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It established requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The District's leases did not fall within the scope of GASB Statement No. 87.

In December 2019, the District entered into a 49-month lease for bunker gear. The District made payments beginning in January 2021 through January 2024. At December 31, 2024, the obligation was fully paid off.

Adams County Fire Protection District
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December 31, 2024

9. Defined Benefit Pension Plans

The District currently maintains four (4) separate pension and retirement plans. The plans cover paid participating firefighters hired prior to associating with FPPA ("Old Hires" prior to January 1, 1993), new hires, paid administrative personnel and all volunteer firefighters. On January 1, 1993, the District's local volunteer and "old hire" Pension Fund affiliated with the Fire and Police Pension Associations' (FPPA) Fire and Police Members' Benefit Fund under the Colorado Revised Statutes, 31-30-005(l)(k), as amended, at which time all plan assets were transferred to FPPA for administrative purposes. Under the FPPA affiliation agreement, the District is responsible for the collection and transmission of all contributions to the local Pension Fund. The FPPA is responsible for the physical safekeeping and investing of such contributions as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the plan.

In the Statement of Net Position, all net pension liabilities have been aggregated and reported as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>	<u> </u>
Old Hire Plan	\$ 260,399	\$ 572,400	\$ 38,455
NW Volunteer Plan	58,515	28,956	6,546
SWAC Volunteer Plan	1,180,085	330,288	53,063
FPPA - SR Plan	-	6,216,314	96,553
Total	\$ 1,498,999	\$ 7,147,958	\$ 194,617

Total pension plan expense for 2024 was \$327,749.

State Fire and Police Pension Plan (FPPA)

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

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

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

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

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

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

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

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

A member is eligible for retirement after attainment of age 55 with at least five years of credited service. A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

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

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

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

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

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

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

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

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

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

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

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.

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

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

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

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

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2023, the District's proportion was approximately 1.055 percent, a decrease of 0.123 percent from the prior year.

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

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

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

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

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

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

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

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2023 are summarized in the following table:

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

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

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

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

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

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

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

Discount Rate	Projected Net Pension (Asset) Liability
1% Decrease to 6%	\$5,916,886
Single Discount Rate (7%)	\$0
1% Increase to 8%	\$0

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

Other Information. For the year ended December 31, 2024, the District recognized pension expense related to this plan of \$716,735. 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	\$2,009,558	\$96,553
Changes in assumptions	\$1,165,623	\$0
Net difference between projected and actual investment earnings	\$1,442,679	\$0
Change in proportionate share	\$420,560	\$0
Contributions subsequent to the measurement date	\$1,177,894	\$0
Total	\$6,216,314	\$96,553

The \$1,177,894 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

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

Adams County Fire Protection District
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December 31, 2024

9. Defined Benefit Pension Plans (continued)

Year ended December 31:	
2025	\$836,506
2026	\$1,208,818
2027	\$1,704,096
2028	\$280,143
2029	\$332,503
Thereafter	\$579,801
	\$4,941,867

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

Old Hire Defined Benefit Pension Plan (Hired Prior to April 8, 1978)

Plan Description. The Old Hire Defined Benefit Pension Plan (the Old Hire Plan) is an agent multiple-employer defined benefit pension plan, established by resolution of the District. All assets are held and invested by FPPA. Firefighters hired prior to April 8, 1978 who elected not to invest in SRP are covered by this plan. Any changes to this plan are referred to the membership by the Pension Trustee Board and voted upon. The Old Hire Plan is closed to new entrants as of April 8, 1978.

Benefits Provided. The member’s normal retirement date for the Old Hire Plan is based on the date a member has completed 20 years of credited service and attained the age of 50. A member that retires after the normal retirement date shall be eligible for a monthly pension equal to one-half of the monthly salary at the date of retirement. For each full year a member continues working past eligibility for normal retirement, the member’s benefit increases by 4% of the monthly salary.

There is no maximum benefit. Severance benefits are offered for contributions plus interest, up to 5% per annum, to members who terminate employment prior to being eligible for retirement. If a retired member dies, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-third of the salary of a firefighter of the same rank held by the deceased firefighter including rank escalation. Membership of the Old Hire Plan consists of 3 Retirees and beneficiaries receiving benefits at December 31, 2024.

Adams County Fire Protection District

Notes to Financial Statements

December 31, 2024

9. Defined Benefit Pension Plans (continued)

Contributions. The District is required by statute to contribute the remaining amounts necessary to pay benefits when due using the actuarial basis specified by statute. In 2009, legislation was adopted to defer the State of Colorado contributions for the Old Hire Plan for 2009 through 2011 and resume in 2012 through 2015. In 2011, legislation was adopted to change payment dates to 2012 until 2019. Senate Bill 13-234 authorized the State of Colorado to fulfill its obligation during 2013. A payment of \$1,456,060 was made into the Old Hire Plan during 2013. As a result, the Old Hire Plan will receive no further payments from the State of Colorado, and all future funding is the requirement of the District. Legislation passed during 2014 requires the District to begin funding an actuarially appropriate amount annually beginning no later than 2016, calculated by the actuary as \$161,971 for 2023.

Net Pension Liability. The District's Old Hire Plan net pension liability measurement date is December 31, 2023, and the total pension liability was determined by an actuarial valuation as of January 1, 2024. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2024 and may be used for December 31, 2024 reporting purposes.

Actuarial Methods and Assumptions. The actuarial valuation for the Old Hire Plan was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuation used the following actuarial assumption and other inputs:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

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.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.0%	5.5%
Fixed Income – Rates	70.0%	5.4%
Fixed Income – Credit	10.0%	5.9%
Diversifiers	0.0%	7.4%
Long Short	0.0%	7.0%
Global Public Equity	10.0%	8.3%
Private Capital	0.0%	10.2%
Total	100.0%	

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 4.50%, the municipal bond rate is 3.77% (based on the weekly rate closest to but not later than the measurement date of the state and local bonds rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 4.50%.

Sensitivity Of The District's Net Pension Liability To Changes In The Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 4.5%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower (3.5%) or one percent higher (5.5%):

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
Proportionate share of the net pension liability	\$ 391,724	\$ 260,399	\$ 143,858

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

Changes in Net Pension Liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 2,508,681	\$ 1,687,177	\$ 821,504
Changes for the Year:			
Interest	107,370	103,472	3,898
Differences between expected and actual experience of the TPL	(543,110)	-	(543,110)
Changes of assumptions	(24,341)	-	(24,341)
Contributions- employer	-	-	-
Net investment income	-	-	-
Benefit payments	(248,093)	(248,093)	-
Administrative expenses	-	(2,448)	2,448
Net Changes	(708,174)	(147,069)	(561,105)
Balances at December 31, 2024	\$ 1,800,507	\$ 1,540,108	\$ 260,399

For the year ended December 31, 2024, the District recognized pension benefit of \$480,962. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the Old Hire Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 230,461	\$ 38,455
Contributions subsequent to measurement date	341,939	-
Total	<u>\$ 572,400</u>	<u>\$ 38,455</u>

The amount of \$341,939 reported as deferred outflows of resources related to the Old Hire Plan, resulting from contributions subsequent to the measurement date, will be recognized as a decrease in the net pension liability for the year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Old Hire Plan will be recognized in pension expense (benefit) as follows:

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

For the Year Ended December 31,	
2025	\$ 63,449
2026	75,406
2027	59,775
2028	(6,624)
Total	\$ 192,006

Detailed information about Old Hire Plan’s fiduciary net position is available in FPPA’s annual comprehensive financial report, which can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

Volunteer Firefighters Pension Plan

Plan Description. The District has established the Volunteer Firefighters' Pension Plan (the "Plan"). As of January 1, 2023, the actuarial valuation date the Plan had 7 retirees and beneficiaries.

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

Benefits Provided. Benefits provided. Any firefighter who has both attained the age of 50 and completed 20 years of active service shall be eligible for a monthly pension. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. A firefighter, who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity which extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. The Board of Trustees has adopted the following schedule of monthly benefits that was in effect at December 31, 2024:

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

Normal Retirement Benefit Age 50 with 20 Years of Service	
Regular, monthly benefit	\$ 500.00
Survivor Benefit (Monthly)	
After age and service retirement	250.00
Following death after vested retirement with 10 to 20 years of service amount per year of service per minimum vesting years	12.50
Vested Retirement Benefit (Monthly)	
With 10 to 20 years of service amount per year of service per minimum 10 vesting years	25.00
Funeral Benefits	
Lump-sum benefit, one time only	300.00

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

For the measurement periods ended December 31, 2024, the District contributed \$16,431 towards meeting the unfunded liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2024, the District reported a net pension liability of \$58,515, the liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023, and a measurement date of December 31, 2023. The measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2024 and may be used for December 31, 2024 reporting purposes.

For the year ended December 31, 2024, the District recognized pension benefit related to this plan of \$12,917. 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
Net difference between projected and actual earnings on pension plan investments	\$ 10,218	\$ 6,546
Contributions subsequent to measurement date	18,738	-
Total	\$ 28,956	\$ 6,546

The \$18,738 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

For the Year Ended December 31,	
2025	\$ (56)
2026	1,174
2027	2,981
2028	(427)
Total	\$ 3,672

Actuarial assumptions. The actuarial assumptions 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 as follows:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open*
Remaining amortization periods	9 years*
Asset valuation method	5-Year Smoothed Fair Value
Actuarial assumptions	
Investment rate of return*	7.0%
Projected salary increase*	N/A
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
*Includes inflation at:	2.5%

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

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

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%.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.0%	4.32%
Fixed Income- Rates	10.0%	5.35%
Fixed Income – Credit	5.0%	5.89%
Absolute return	9.0%	6.39%
Long Short	6.0%	7.27%
Global Equity	35.0%	8.33%
Private Markets	34.0%	10.31%
Total	100.0%	

Based on plan maturity metrics, the assets of this plan have been moved to FPPA's short-term pool. Effective with the valuation as of January 1, 2025, the long-term expected rate of return will be changed to 4.50% to reflect this change.

Sensitivity Of The District’s Net Pension Liability To Changes In The Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, 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 (6.00%) or one percent higher (8.00%):

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 65,166	\$ 58,515	\$ 52,434
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 172,615	\$ 84,513	\$ 88,102
Changes for the Year:			
Interest	7,259	7,690	(431)
Differences between expected and actual experience of the TPL	-	-	-
Changes of assumptions	(18,021)	-	(18,021)
Contributions- employer	-	16,431	(16,431)
Net investment income	-	-	-
Benefit payments	(21,400)	(21,400)	-
Administrative expenses	-	(5,296)	5,296
Net Changes	(32,162)	(2,575)	(29,587)
Balances at December 31, 2024	\$ 140,453	\$ 81,938	\$ 58,515

Southwest Adams County Volunteer Firefighters Pension Plan

Plan Description. The Southwest Adams County Volunteer Firefighters Pension Plan (the SWAC Volunteer Plan) is a single-employer defined benefit pension plan. The SWAC Volunteer Plan is administered by the SWAC Volunteer Plan Board of Trustees. Assets are held and administered by an independent third party.

Benefits Provided. The SWAC Volunteer Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted by the Board of Directors of SWAC (now merged with the District). C.R.S., as amended, establishes basic benefit provisions. Retirees are eligible to receive full retirement benefits of \$800 per month after 20 years of service and reaching the age of 50. Retirees may also receive 50% of retirement benefits after 10 years of service and reaching the age of 50. Prorated pension can be vested between 10 and 20 years of eligible volunteer service.

Members Covered By Benefit Terms. Membership of the SWAC Volunteer Plan consists of 35 Retirees and beneficiaries receiving benefits at December 31, 2024.

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

Contributions. There are no paid employees within the SWAC Volunteer Plan, and employees do not contribute to the plan. Contributions consist of contributions determined by the District Board of Directors and a matching contribution by the State of Colorado based on statute.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2024, the District reported a net pension liability of \$1,180,085, the liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023, and a measurement date of December 31, 2023. The measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2024 and may be used for December 31, 2024 reporting purposes.

For the year ended December 31, 2024, the District recognized pension expense related to this plan of \$104,893. 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
Net difference between projected and actual earnings on pension plan investments	\$ 144,389	\$ 53,063
Contributions subsequent to measurement date	185,899	-
Total	\$ 330,288	\$ 53,063

The \$185,899 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31,	
2025	\$ 32,244
2026	32,180
2027	37,505
2028	(10,603)
Total	\$ 91,326

Actuarial Assumptions. The actuarial assumptions 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 as follows:

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

Actuarial cost method	Entry Age Normal
Amortization method	23-year closed schedule
Remaining amortization period	17 years as of January 1, 2023
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return*	6.5%
Projected salary increase*	N/A
Mortality	Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.
*Includes inflation at:	Implicit Rate

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 contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”); and the resulting Single Discount Rate is 6.50%.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 6.5%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is one percent lower (5.5%) or one percent higher (7.5%):

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Proportionate share of the net pension liability	\$ 1,353,879	\$ 1,180,085	\$ 1,028,696

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

9. Defined Benefit Pension Plans (continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 2,309,534	\$ 1,021,282	\$ 1,288,252
Changes for the Year:			
Interest	141,654	115,234	26,420
Differences between expected and actual experience of the TPL	-	-	-
Changes of assumptions	-	-	-
Contributions- employer	-	150,000	(150,000)
Net investment income	-	-	-
Benefit payments	(264,650)	(264,650)	-
State of Colorado supplemental discretionary payment	-	8,100	(8,100)
Administrative expenses	-	(23,513)	23,513
Net Changes	(122,996)	(14,829)	(108,167)
Balances at December 31, 2024	\$ 2,186,538	\$ 1,006,453	\$ 1,180,085

10. Statewide Death and Disability Plan

The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. All full-time firefighters are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by state statute and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for SWD&DP. That report may be obtained at www.fppaco.org.

The plan provides pre-retirement death benefits, as follows:

- a. Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children
- b. On-duty: 70% of the base salary paid to the member prior to death

Disability benefits are as follows:

- c. Total disability: 70% of the base salary preceding disability
- d. Permanent occupational disability: 50% of the base salary preceding disability
- e. Temporary occupational disability: 40% of the base salary preceding disability for up to five years

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

10. Statewide Death and Disability Plan (continued)

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability retirees receive an automatic increase of 3%. For other annuitants, the increase may reflect the Consumer Price Index, but in no case may be higher than 3%.

Once a member is eligible to retire, contributions to the plan and plan benefit obligations cease.

Contributions. The member contribution requirements are established by state statutes. However, in accordance with C.R.S. 31-31-811(4), the FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

Any decision regarding whether the employer or member contributes to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the District.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the District contributed 2.8% of base salaries on behalf of the members during the year ended December 31, 2023. Contributions to the plan for the year ended December 31, 2024 were \$32,750, equal to the required contributions.

Other Post-Employment Benefit (OPEB) Liabilities, OPEB Expense and Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB. The District has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the District does not report a net liability for other postemployment benefits or deferred outflows of resources and deferred inflows of resources related to OPEB.

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

11. Deferred Compensation Plan

The District participates in a deferred compensation plan (the 457 Plan), as defined under the Internal Revenue Code Section 457, which allows employees to make an elective deferral of a portion of earned compensation to the 457 Plan. The 457 Plan is a multi-employer plan administered by FPPA. Amendments to the 457 Plan may be made by the plan trustee. The District does not match employee contributions to the 457 Plan. For the year ended December 31, 2024, participating employees contributed \$644,476.

Adams County Fire Protection District

Notes to Financial Statements

December 31, 2024

11. Deferred Compensation Plan (continued)

The District provides a money purchase pension plan for full-time firefighting, prevention and maintenance SWAC personnel who elected to stay with the plan as part of the merger with the District. The District contributes 8% of covered salary to the money purchase pension plan. There are no employee voluntary contributions. The District contributed \$471,215 to the plan during 2024.

12. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for the risks of loss, including worker’s compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage remain unchanged in the past three years.

The District administers a self-insurance program for medical and dental insurance that covers the premiums for District employees and medical claims up to \$30,000 per year per person. Amounts over \$30,000 per year are covered by the District’s reinsurance policy. The estimated liability for pending and incurred but not reported claims at December 31, 2024 are reported as accounts payable in the financial statements. Claims incurred but not reported for the past two years are as follows:

Year Ended December 31,	Claims Payable January 1,	Claims And Changes In Estimates	Claims Paid	Claims Payable December 31,
2023	\$224,734	\$1,586,839	\$1,720,583	\$90,990
2024	\$90,990	\$1,249,196	\$1,250,218	\$89,968

13. Tax, Spending and Debt Limitations

In November 1992, Colorado voters passed the Taxpayer Bill of Rights (TABOR), which limits the revenue-raising and spending abilities of state and local governments. The limits on property taxes, revenue and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances).

Adams County Fire Protection District
Notes to Financial Statements
December 31, 2024

13. Tax, Spending and Debt Limitations (continued)

TABOR requires voter approval for any increase in mill levies or tax rates, new taxes or creation of multi-fiscal year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires that reserves of 1% of 1993 fiscal year spending, excluding bonded debt service, be established for declared emergencies, with 2% of fiscal year spending required in 1994 and 3% thereafter.

As of December 31, 2024, the District reported \$838,842 as restricted net position and restricted fund balance in the governmental activities and General Fund, respectively, to comply with the reserve for emergencies.

In 2002, the voters of the District approved a ballot issue to authorize the District to collect, retain and spend all revenue generated by its existing mill levy, which cannot be increased without voter approval, and from all other sources of revenue in excess of the limitations provided in TABOR for the general operations and capital construction. The District's management believes that it has legally removed itself from TABOR's revenue and spending limitations. However, TABOR is complex and subject to future judicial interpretation.

14. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

15. Subsequent Events

Management evaluates subsequent events through the date the financial statements are available to be issued, which is the date of the Independent Auditors' Report.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Required Supplementary Information

ADAMS COUNTY FIRE PROTECTION DISTRICT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance favorable (unfavorable)
Revenues:			
General property taxes	\$ 29,885,134	\$ 32,416,673	\$ 2,531,539
Specific ownership taxes	1,607,000	1,500,436	(106,564)
Fire prevention fees	140,500	183,554	43,054
Grants	16,000	8,550	(7,450)
Rental income	20,029	-	(20,029)
Reimbursements & refunds	30,000	60,752	30,752
Interest/Investments income	500,000	1,344,303	844,303
EMS Charges	3,352,570	4,560,470	1,207,900
Other income	120,000	63,512	(56,488)
Total revenues	35,671,233	40,138,250	4,467,017
Expenditures:			
Administrative & general costs	1,441,211	1,210,721	230,490
Health benefits	2,602,898	2,404,905	197,993
Wages & pensions	20,840,342	20,522,491	317,851
IT	269,672	231,723	37,949
Fire prevention supplies/services	54,378	46,412	7,966
Training	397,483	293,678	103,805
Comms	665,761	624,144	41,617
Trucks & equipment repairs	944,566	760,996	183,570
Special Ops	339,306	390,267	(50,961)
EMS	230,568	194,046	36,522
Facility repair & maintenance	135,175	208,910	(73,735)
Station supplies	68,210	49,585	18,625
Facility supplies	155,104	170,757	(15,653)
Utilities	214,945	255,507	(40,562)
Capital outlay & contingencies	806,953	597,259	209,694
Total expenditures/expenses	29,166,572	27,961,401	1,205,171
Excess (deficiency) of revenues over expenditures	6,504,661	12,176,849	5,672,188
Other financing sources/uses:			
Transfers in or (out) to other funds	(4,683,992)	(4,645,729)	38,263
Total other sources:	(4,683,992)	(4,645,729)	38,263
Excess (deficiency) of revenues and other financing sources over expenditures	1,820,669	7,531,120	9,351,789
Fund balance/net position, beginning of year	14,911,274	16,587,531	1,676,257
Fund balance/net position, end of year	\$ 16,731,943	\$ 24,118,651	\$ 11,028,046

ADAMS COUNTY FIRE PROTECTION DISTRICT
Schedule of the District's Proportionate Share
Of the Net Pension (Asset) Liability - SRP
Employee Pension Plan

Measurement Period Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's portion of the net pension asset	1.055%	1.178%	1.170%	1.136%	1.765%	1.805%	1.204%	1.262%	1.252%	1.061%
District's proportionate share of the net pension (asset) liability	\$ -	\$ 1,045,130	\$ (6,338,932)	\$ (2,465,361)	\$ (608,840)	\$ 1,371,459	\$ (1,733,467)	\$ 456,067	\$ (22,063)	(1,197,681)
District's covered payroll	11,872,681	9,737,025	8,977,007	8,792,649	7,593,238	7,577,507	7,043,039	6,459,505	6,071,376	4,611,454
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	0.00%	10.73%	-70.61%	-28.040%	-8.02%	18.10%	24.61%	7.06%	-0.36%	-25.97%
Plan fiduciary net position as a percentage of the total pension (asset) liability	100.00%	97.60%	116.20%	106.700%	101.90%	95.20%	-106.30%	-98.20%	100.10%	106.80%

ADAMS COUNTY FIRE PROTECTION DISTRICT
Schedule of the District's Contributions to the Pension Plan - SRP
Employee Pension Plan
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,177,894	\$ 922,160	\$ 867,823	\$ 718,161	\$ 702,844	\$ 606,341	\$ 606,341	\$ 563,443	\$ 516,761	\$ 485,709
Contributions in relation to the contractually required contribution	<u>1,177,894</u>	<u>922,160</u>	<u>867,823</u>	<u>718,161</u>	<u>702,844</u>	<u>606,341</u>	<u>606,341</u>	<u>563,443</u>	<u>516,761</u>	<u>485,709</u>
Contribution (Excess) Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,872,681	\$ 9,737,025	\$ 9,240,346	\$ 8,977,007	\$ 8,792,649	\$ 7,593,238	\$ 7,577,507	\$ 7,043,039	\$ 6,459,505	\$ 6,071,376
Contributions as a percentage of covered payroll	10.00%	9.50%	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

ADAMS COUNTY FIRE PROTECTION DISTRICT
Schedule of Changes in the District's
Net Pension (Asset) Liability and Related Ratios
OLD HIRE PLAN

Measurement Period Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Interest	\$ 107,370	\$ 113,998	\$ 128,127	\$ 134,535	\$ 229,910	\$ 241,731	\$ 254,227	\$ 271,496	\$ 307,681	\$ 324,580
Differences between expected and actual experience in the measurement of the total pension liability	(543,110)	-	(173,242)	-	(482,979)	-	54,973	-	(569,630)	-
Changes in assumptions	(24,341)	-	-	-	498,607	-	-	-	294,822	-
Benefit payments, including lump sums	(248,093)	(274,193)	(263,647)	(289,915)	(349,636)	(447,294)	(503,326)	(500,243)	(529,897)	(569,183)
Net Changes In Total Pension Liability	(708,174)	(160,195)	(308,762)	(155,380)	(104,098)	(205,563)	(194,126)	(228,747)	(497,024)	(244,603)
Total Pension Liability - Beginning	2,508,681	2,668,876	2,977,638	3,133,018	3,237,116	3,442,679	3,636,805	3,865,552	4,362,576	4,607,179
Total Pension Liability - Ending (a)	\$ 1,800,507	\$ 2,508,681	\$ 2,668,876	\$ 2,977,638	\$ 3,133,018	\$ 3,237,116	\$ 3,442,679	\$ 3,636,805	\$ 3,865,552	\$ 4,362,576
Plan Fiduciary Net Position										
Contributions - employer	\$ -	\$ 178,968	\$ 379,968	\$ -	\$ 199,964	\$ 180,163	\$ 180,163	\$ 196,745	\$ 45,912	\$ 45,912
Net investment income	103,472	(242,885)	10,094	145,614	225,056	4,227	298,038	115,263	52,699	201,507
Benefit payments, including lump sums	(248,093)	(274,193)	(263,647)	(289,915)	(349,636)	(447,294)	(503,326)	(500,243)	(529,897)	(569,183)
Administrative expenses	(2,448)	(3,865)	(1,914)	(3,822)	(2,628)	(5,157)	(2,380)	(5,753)	(4,119)	(8,200)
Net Change in Fiduciary Net Position	(147,069)	(341,975)	124,501	(148,123)	72,756	(268,061)	(27,505)	(193,988)	(435,405)	(329,964)
Plan Fiduciary Net Position - Beginning	1,687,177	2,029,152	1,904,651	2,052,774	1,980,018	2,248,079	2,275,584	2,469,572	2,904,977	3,234,941
Plan Fiduciary Net Position - Ending (b)	\$ 1,540,108	\$ 1,687,177	\$ 2,029,152	\$ 1,904,651	\$ 2,052,774	\$ 1,980,018	\$ 2,248,079	\$ 2,275,584	\$ 2,469,572	\$ 2,904,977
Plan Fiduciary Net Position - Liability Ending (a)-(b)	260,399	821,504	639,724	1,072,987	1,080,244	1,257,098	1,194,600	1,361,221	1,395,980	1,457,599
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability (b)/(a)	85.54%	67.25%	76.03%	63.97%	65.52%	61.17%	65.30%	62.57%	63.89%	66.59%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Net Pension Liability As A Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ADAMS COUNTY FIRE PROTECTION DISTRICT

Schedule of the District's Contributions

Old Hire Plan

For the Year Ended December 31, 2024

Fiscal Year Ending (a)	Actuarially Determined Contribution* (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b)-(c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2015	\$ 196,745	\$ 45,912	\$ 150,833	N/A	N/A
2016	196,745	196,745	-	N/A	N/A
2017	180,163	180,163	-	N/A	N/A
2018	180,163	180,163	-	N/A	N/A
2019	199,964	199,964	-	N/A	N/A
2020	199,964	200,000	(36)	N/A	N/A
2021	179,968	179,968	-	N/A	N/A
2022	179,968	379,968	(200,000)	N/A	N/A
2023	179,968	-	179,968	N/A	N/A
2024	161,971	341,939	(179,968)	N/A	N/A

*Actuarially determined contributions is net of employee contributions, if any. Actual contributions is from the employer only and does not include employee amounts.

N/A = Information not applicable

ADAMS COUNTY FIRE PROTECTION DISTRICT
Schedule of Changes in the District's
Net Pension (Asset) Liability and Related Ratios-
Volunteer Plan

Measurement Period Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Interest	\$ 7,259	\$ 5,892	\$ 6,333	\$ 8,760	\$ 9,401	\$ 9,857	\$ 10,667	\$ 3,504	\$ 3,770	\$ 3,688
Differences between expected and actual experience in the measurement of the total pension liability	-	66,333	-	(8,637)	-	12,756	108,661	(6,029)	-	5,594
Changes in assumptions	(18,021)	8,775	(2,533)	11,404	-	1,500	-	2,859	-	-
Benefit payments, including lump sums	(21,400)	(23,550)	(16,485)	(17,360)	(19,716)	(22,680)	(20,280)	(6,960)	(7,660)	(8,685)
Net Changes In Total Pension Liability	(32,162)	57,450	(12,685)	(5,833)	(10,315)	1,433	99,048	(6,626)	(3,890)	597
Total Pension Liability - Beginning	172,615	115,165	127,850	133,683	143,998	142,565	43,517	50,143	54,033	53,436
Total Pension Liability - Ending (a)	\$ 140,453	\$ 172,615	\$ 115,165	\$ 127,850	\$ 133,683	\$ 143,998	\$ 142,565	\$ 43,517	\$ 50,143	\$ 54,033
Plan Fiduciary Net Position										
Contributions	\$ 16,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	7,690	(9,515)	17,003	14,509	17,750	358	22,636	8,393	2,991	10,941
Benefit payments, including lump sums	(21,400)	(23,550)	(16,485)	(17,360)	(19,716)	(22,680)	(20,280)	(6,960)	(7,660)	(8,685)
Administrative expenses	(5,296)	(2,672)	(4,218)	(2,164)	(3,055)	(2,582)	(4,006)	(527)	(1,383)	(634)
Net Change in Fiduciary Net Position	(2,575)	(35,737)	(3,700)	(5,015)	(5,021)	(24,904)	(1,650)	906	(6,052)	1,622
Plan Fiduciary Net Position - Beginning	84,513	120,250	123,950	128,965	133,986	158,890	160,540	159,634	165,686	164,064
Plan Fiduciary Net Position - Ending (b)	\$ 81,938	\$ 84,513	\$ 120,250	\$ 123,950	\$ 128,965	\$ 133,986	\$ 158,890	\$ 160,540	\$ 159,634	\$ 165,686
Plan Fiduciary Net Position - Liability Ending (a)-(b)	58,515	88,102	(5,085)	3,900	4,718	10,012	(16,325)	(117,023)	(109,491)	(111,653)
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability (b)/(a)	58.34%	48.96%	104.42%	96.95%	96.47%	93.05%	111.45%	368.91%	318.36%	306.64%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Net Pension Liability As A Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ADAMS COUNTY FIRE PROTECTION DISTRICT
Schedule of the District's Contributions
Volunteer Plan
For the Year Ended December 31, 2024

Fiscal Year Ending (a)	Actuarially Determined Contribution* (b)	Actual Contribution* (c)	Contribution Deficiency (Excess) (d) = (b)-(c)	Covered Payroll (e)	Actual Contribution as a % Of Covered Payroll (f)
2015	\$ -	\$ -	\$ -	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	4,346	-	4,346	N/A	N/A
2022	11,441	-	11,441	N/A	N/A
2023	11,441	-	11,441	N/A	N/A
2024	11,441	16,431	(4,990)	N/A	N/A

***Actuarially determined contributions is net of employee contributions, if any. Actual contributions is from the employer only and does not include employee amounts.**

N/A = Information not applicable

ADAMS COUNTY FIRE PROTECTION DISTRICT
Schedule of Changes in the District's
Net Pension (Asset) Liability and Related Ratios -
SWAC Volunteer Plan

Measurement Period Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Interest	\$ 141,654	\$ 135,624	\$ 141,780	\$ 92,589	\$ 161,964	\$ 161,964	\$ 167,073	\$ 170,217	\$ 176,197	\$ 188,602
Change of benefit terms	-	253,291	-	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	-	(73,879)	-	(81,163)	-	39,474	-	(56,558)	-	(92,587)
Changes in assumptions	-	29,916	-	(411,902)	-	445,898	-	276,961	-	-
Benefit payments, including lump sums	(264,650)	(243,881)	(229,098)	(241,649)	(242,333)	(241,644)	(249,679)	(254,214)	(269,026)	(277,441)
Net Changes In Total Pension Liability	(122,996)	101,071	(87,318)	(642,125)	(80,369)	405,692	(82,606)	136,406	(92,829)	(181,426)
Total Pension Liability - Beginning	2,309,534	2,208,463	2,295,781	2,937,906	3,018,275	2,612,583	2,695,189	2,558,783	2,651,612	2,833,038
Total Pension Liability - Ending (a)	\$ 2,186,538	\$ 2,309,534	\$ 2,208,463	\$ 2,295,781	\$ 2,937,906	\$ 3,018,275	\$ 2,612,583	\$ 2,695,189	\$ 2,558,783	\$ 2,651,612
Plan Fiduciary Net Position										
Contributions - employer	\$ 150,000	\$ 150,000	\$ 119,000	\$ 119,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 46,000
Contributions - state	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100
Net investment income	115,234	(160,215)	107,836	83,979	193,463	(46,030)	211,971	76,142	12,099	102,011
Benefit payments, including lump sums	(264,650)	(243,881)	(227,498)	(241,649)	(242,333)	(241,644)	(249,680)	(254,214)	(269,026)	(277,441)
Administrative expenses	(23,513)	(22,641)	(33,623)	(15,257)	(22,441)	(23,866)	(13,242)	(8,707)	(9,585)	(40,342)
Other	-	(100)	-	-	-	-	-	123,930	(6,946)	22,328
Net Change in Fiduciary Net Position	(14,829)	(268,737)	(26,185)	(45,827)	(7,211)	(247,440)	13,149	1,251	(209,358)	(139,344)
Plan Fiduciary Net Position - Beginning	1,021,282	1,290,019	1,316,204	1,362,031	1,369,242	1,616,682	1,603,533	1,602,282	1,811,640	1,950,984
Plan Fiduciary Net Position - Ending (b)	\$ 1,006,453	\$ 1,021,282	\$ 1,290,019	\$ 1,316,204	\$ 1,362,031	\$ 1,369,242	\$ 1,616,682	\$ 1,603,533	\$ 1,602,282	\$ 1,811,640
Plan Fiduciary Net Position - Liability Ending (a)-(b)	1,180,085	1,288,252	918,444	979,577	1,575,875	1,649,033	995,901	1,091,656	956,501	839,972
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability (b)/(a)	46.03%	44.22%	58.41%	57.33%	46.36%	45.37%	61.88%	59.50%	62.62%	68.32%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Net Pension Liability As A Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ADAMS COUNTY FIRE PROTECTION DISTRICT

Schedule of the District's Contributions

SWAC Volunteer Plan

For the Year Ended December 31, 2024

Fiscal Year Ending (a)	Actuarially Determined Contribution* (b)	Actual Contribution* (c)	Contribution Deficiency (Excess) (d) = (b)-(c)	Covered Payroll (e)	Actual Contribution as a % Of Covered Payroll (f)
2015	\$ 48,178	\$ 64,100	\$ (15,922)	N/A	N/A
2016	48,178	64,100	(15,922)	N/A	N/A
2017	63,502	64,100	(598)	N/A	N/A
2018	63,502	64,100	(598)	N/A	N/A
2019	119,387	64,100	55,287	N/A	N/A
2020	119,387	127,100	(7,713)	N/A	N/A
2021	107,274	127,100	(19,826)	N/A	N/A
2022	107,274	158,100	(50,826)	N/A	N/A
2023	150,789	158,100	(7,311)	N/A	N/A
2024	150,789	185,899	(35,110)	N/A	N/A

*Actuarially determined contributions is net of employee contributions, if any. Actual contributions is from the employer only and does not include employee amounts.

N/A = Information not applicable

Adams County Fire Protection District

Notes to Required Supplementary Information

December 31, 2024

1. Budgets and Budgetary Accounting

The District Board adopts an annual budget for all funds required by C.R.S., as amended. Budgeted amounts for all funds are based on legally adopted budgets, including supplemental budget appropriations, if any, which are on a basis consistent with generally accepted accounting principles for each fund type. The Fire Chief is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter total expenditures for any of the funds must be approved by the District Board.

The budgetary comparison schedule included in the required supplementary information presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results

Expenditures may not legally exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. After budget approval, the District Board may approve supplemental appropriations if an occurrence, condition or need exists which was not known at the time the budget was adopted.

On or before October 15th of each year, the District's budget officer must prepare and submit a proposed budget to the District Board for the next fiscal year. Thereupon, notice must be published stating, among other things, that the budget is open to inspection by the public and that interested electors may file or register any objection to the budget.

Subject to certain exceptions and exclusions discussed hereafter, the District must submit a request for property tax increase in excess of the statutory limitations to the Division of Local Government (if within TABOR limits) or submit the question for an increased level directly to the electors of the District at a general or special election. State law requires that the District adopt a budget prior to the certification of its mill levy to the County and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption.

Failure to do so can result in the County Treasurer's withholding future property tax revenues pending compliance of the District. Budget appropriations lapse at the end of each fiscal year. The encumbrance method is not used.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Supplementary Information

ADAMS COUNTY FIRE PROTECTION DISTRICT
Capital Reserve Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget favorable (unfavorable)
Revenues:			
Interest	\$ 40,000	\$ 465,288	\$ 425,288
Impact fees	200,000	183,437	(16,563)
Other income	-	7,500	7,500
Total revenues	240,000	656,225	416,225
Expenditures:			
Administration	5,000	8,185	(3,185)
Apparatus and vehicle purchase	1,154,800	1,273,647	(118,847)
Facilities Construction/Remodel	2,000,000	-	2,000,000
General equipment purchase	150,000	209,846	(59,846)
Debt service:			
Principal	473,143	401,206	71,937
Interest	347,349	355,931	(8,582)
Total expenditures/expenses	4,130,292	2,248,815	1,881,477
Excess (deficiency) of revenues over expenditures	(3,890,292)	(1,592,590)	2,297,702
Other financing sources/uses:			
Proceeds from capital leases	-	-	-
Transfers from other funds	4,683,992	4,683,992	-
Total other sources:	4,683,992	4,683,992	-
Excess (deficiency) of revenues and and other financing sources over expenditures	793,700	3,091,402	2,297,702
Fund balance, beginning of year	10,095,024	10,756,560	(661,536)
Fund balance, end of year	\$ 10,888,724	\$ 13,847,962	\$ 1,636,166

ADAMS COUNTY FIRE PROTECTION DISTRICT

SWAC Volunteer Pension Schedule of Changes in Fiduciary Net Position For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance favorable (unfavorable)
Additions:			
Employer contributions	\$ 175,000	\$ 175,000	\$ -
Earnings on investments	68,613	80,783	12,170
Contributions from the State of Colorado	8,100	-	(8,100)
Total Additions (Deductions)	251,713	255,783	4,070
Deductions:			
Benefits paid to retirees	285,000	262,800	22,200
Administration of fund	12,000	9,290	2,710
Other expenses	15,100	8,012	7,088
Total Deductions	312,100	280,102	31,998
Changes in plan net position	(60,387)	(24,319)	36,068
Net position, beginning of year	978,665	1,007,183	28,518
Net position, end of year	\$ 918,278	\$ 982,864	\$ 64,586