BENNETT FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2025

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Bennett Fire Protection District
Arapahoe and Adams Counties, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bennett Fire Protection District (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bennett Fire Protection District, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 general fund budgetary comparison schedule and GASB required pension schedules 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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 capital expansion fund budgetary comparison schedule is presented for purposes of additional analysis and is 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 capital expansion fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the summary of assessed valuation, mill levy, and property taxes collected, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Adams Group, LLC

Greenwood Village, Colorado
May 18, 2026

BASIC FINANCIAL STATEMENTS

BENNETT FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

		Governmental Activities
Assets		
Cash and investments	$	9,636,304
Property tax receivables		9,865,065
EMS fees receivable, net of allowance for doubt accounts		450,233
Other receivables		34,810
Prepaid items		54,496
Capital assets, not being depreciated		803,752
Capital and lease assets, net of accumulated depreciation and amortization		5,063,557
Net Pension Asset		412,436
Total Assets		26,320,653
Deferred Outflows of Resources		
Related to pension		1,470,483
Total Deferred Outflows of Resources		1,470,483
Liabilities		
Accounts payable		62,815
Accrued wages and benefits		53,069
Accrued interest		5,790
Long-term liabilities:		
Due in one year		185,916
Due in more than one year		189,333
Total Liabilities		496,923
Deferred Inflows of Resources		
Related to pension		514,242
Deferred property taxes		9,865,065
Total Deferred Inflows of Resources		10,379,307
Net Position		
Net investment in capital assets		5,662,964
Restricted		
Emergencies		324,000
Net pension asset		412,436
Unrestricted		10,515,506
Total Net Position	$	16,914,906

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

BENNETT FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Public safety	$ 8,562,804	$ 1,709,338	$ 6,400	$ (6,847,066)
Interest and fiscal charges	7,504	-	-	(7,504)
Total Governmental Activities	$ 8,570,308	$ 1,709,338	$ 6,400	(6,854,570)
GENERAL REVENUES:				
Property taxes				8,100,796
Specific ownership taxes				428,930
Investment earnings				384,223
Other revenue				232,111
Total General revenues				9,146,060
Change in net position				2,291,490
Net position, beginning				14,623,416
Net position, ending				$ 16,914,906

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

BENNETT FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS – BALANCE SHEET
DECEMBER 31, 2025

	General Fund	Capital Expansion Fund	Total Governmental Funds
Assets			
Cash and investments	$ 7,442,919	$ 2,193,385	$ 9,636,304
Property tax receivable	9,865,065	-	9,865,065
EMS fees receivable, net of allowance for doubtful accounts	450,233	-	450,233
Other accounts receivable	34,190	620	34,810
Due from other fund	2,558	-	2,558
Prepaid items	54,496	-	54,496
Total Assets	$ 17,849,461	$ 2,194,005	$ 20,043,466
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	$ 62,815	$ -	$ 62,815
Accrued wages and benefits	53,069	-	53,069
Due to other fund	-	2,558	2,558
Total Liabilities	115,884	2,558	118,442
Deferred inflows of resources			
Deferred property taxes	9,865,065	-	9,865,065
Unavailable EMS billing revenue	313,459	-	313,459
Total Deferred Inflows of Resources	10,178,524	-	10,178,524
Fund balances			
Nonspendable	54,496	-	54,496
Restricted	324,000	-	324,000
Committed	-	2,191,447	2,191,447
Unassigned	7,176,557	-	7,176,557
Total Fund Balances	7,555,053	2,191,447	9,746,500
Total Liabilities, Deferred Inflows and Fund Balances	$ 17,849,461	$ 2,194,005	$ 20,043,466

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

BENNETT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total fund balances, governmental funds	$	9,746,500
Amounts reported for governmental activities in the statement of net position are different because:		
Capital and lease assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		5,867,309
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds.		
Emergency medical service fees		313,459
Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Net pension asset - Volunteer Plan		412,436
Some liabilities, including net pension liability, leases payable, accrued interest payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Lease liability		(204,345)
Accrued interest		(5,790)
Compensated absences		(170,904)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Related to pension		1,470,483
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Related to pension		(514,242)
Total net position of governmental activities	$	16,914,906

BENNETT FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Capital Expansion Fund	Total Governmental Funds
Revenues			
Property taxes	$ 8,100,796	$ -	$ 8,100,796
Specific ownership taxes	428,930	-	428,930
Development fees	-	676,847	676,847
Investment earnings	304,390	79,833	384,223
Emergency medical services	1,046,536	-	1,046,536
Grants and contributions	6,400	-	6,400
Outside fleet maintenance income	81,009	-	81,009
Other	95,214	-	95,214
Total revenues	10,063,275	756,680	10,819,955
Expenditures			
Current:			
Administration	220,075	-	220,075
Payroll and human resources	5,626,176	-	5,626,176
Facilities	301,520	-	301,520
Health and safety	27,922	-	27,922
Operations	385,856	-	385,856
Training	88,079	-	88,079
Public relations	20,407	-	20,407
Volunteer reimbursement	7,440	-	7,440
Annual banquet	22,070	-	22,070
Technology	89,221	-	89,221
Testing	26,331	-	26,331
Fleet	289,016	-	289,016
Miscellaneous	38,991	-	38,991
Insurance claim	46,579	-	46,579
Election	2,797	-	2,797
Legal and accounting	92,849	-	92,849
Professional services	20,157	-	20,157
Contribution to pension fund	20,000	-	20,000
VFIS volunteer payments	8,620	-	8,620
Capital outlay	1,432,343	-	1,432,343
Debt service			
Principal	97,133	-	97,133
Interest	10,280	-	10,280
Total expenditures	8,873,862	-	8,873,862
Excess revenue over (under) expenditures	1,189,413	756,680	1,946,093
Other financing sources (uses)			
Insurance proceeds	43,688	-	43,688
Proceeds from sale of asset	12,200	-	12,200
Transfer in	128,881	-	128,881
Transfer out	-	(128,881)	(128,881)
Total other financing sources (uses)	184,769	(128,881)	55,888
Net change in fund balance	1,374,182	627,799	2,001,981
Fund balances - beginning	6,180,871	1,563,648	7,744,519
Fund balances - ending	$ 7,555,053	$ 2,191,447	$ 9,746,500

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

`BENNETT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - total governmental funds:	$	2,001,981
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		835,753
Depreciation and amortization expense		(554,249)
Net book value of disposed assets		(22,561)
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 the governmental fund.		
Principal payments		97,133
Pension expense		(38,676)
Change in compensated absences		(16,622)
Change in accrued interest		2,776
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds		
Emergency medical services		(14,045)
Change in net position of governmental activities	$	2,291,490

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Bennett Fire Protection District (the District) is a quasi-municipal corporation, governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection services and paramedic rescue services to parts of Arapahoe and Adams Counties.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization. The District is not a component unit of any other primary governmental entity, including the Town of Bennett.

Significant accounting policies of the District are described as follows:

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and emergency medical service revenue.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation and amortization is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are 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. The major sources of revenue susceptible to accrual are property tax and emergency medical service fees. Expenditures, other than interest on long-term obligations and compensated absences are recorded when the liability is incurred or when the long-term obligation is paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

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

The *Capital Expansion Fund* is a capital projects fund and accounts for development fees that are to be used for the acquisition, construction, or expansion of major capital facilities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

Investments are stated at net asset value.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2025, management has recorded an allowance of $242,433 for estimated uncollectible ambulance service fees. All other receivables are expected to be collected within one year.

Property Taxes

Property taxes are levied by the District board of directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year.

The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items and will be reported as expenditures in the following year. Prepayments are recorded using the consumption method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include land, construction in progress, buildings, fire trucks and equipment, and office equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Asset Type	Years
Buildings	10 - 50
Fire Trucks and Equipment	5 - 30
Office Equipment	5- 7

Deferred Outflows 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 then. Deferred outflows of resources include certain amounts related to the District's defined benefit pension plan and volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

Compensated Absences

The District has a policy that allows employees to accumulate unused vacation, sick pay and compensatory time benefits up to certain maximum hours. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The District's General Fund is used to liquidate compensated absences of the governmental activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The District determines if an arrangement is a lease at inception. Leases are included in capital assets and long-term liabilities in the statement of net position. Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specific in the contract, in an exchange or exchange like transaction.

Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset unless the lease has a purchase option which the District intends to exercise.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise the option.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position 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 is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. EMS revenue is considered a deferred inflow of resources in the fund financial statements for amounts not collected within the period of availability or 60 days. Deferred inflows of resources also include certain amounts related to the District's defined benefit pension plans and volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable fund balance – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact. The District had $54,496 in nonspendable resources related to prepaid items at December 31, 2025.

Restricted fund balance – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District had $324,000 restricted at December 31, 2025 related to emergency reserves. See Note 8 for additional information.

Committed fund balance – Amounts that can be used only for specific purposes determined by a formal action of the District's Board of Directors (Board). The Board is the highest level of decision-making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District had $2,191,447 committed at December 31, 2025 in the Capital Expansion Fund.

Assigned fund balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. At December 31, 2025, the District had no amounts classified as assigned fund balance.

Unassigned fund balance – Amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District's Board of Directors has provided otherwise in its commitment or assignment actions.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District's net position consists of three components – net investment in capital assets, restricted, and unrestricted.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net investment in capital assets – consists of net capital assets, leased assets, and deferred outflows of resources, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgets

In accordance with the State Budget Law, the District's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. During the year, the Board approved one resolution related to each funds budget.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 consist of the following:

Deposits with financial institutions	$	198,705
Investments		9,437,599
Total cash and investments	$	9,636,304

Cash Deposits

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

At December 31, 2025, the bank balance and carrying amount of the District's deposits were $219,615 and $198,705, respectively.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk.

Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

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

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Balance
ColoTrust - Plus	Less than one year	6,085,085
ColoTrust - Prime	Less than one year	3,352,514
		$ 9,437,599

ColoTrust and Fair Value

As of December 31, 2025, the District had invested $9,437,599 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.

ColoTrust and Fair Value (continued)

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 C.R.S. 24-75-601.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

ColoTrust EDGE, a variant 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 C.R.S 24-75-601.1, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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

NOTE 3 – CAPITAL ASSETS AND LEASE ASSETS

The following is a summary of changes in governmental activities capital assets during the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Deletions	Balance at December 31, 2025
Governmental Activities:				
Capital assets, not being depreciated				
Land	$ 138,585	$ -	$ -	$ 138,585
Construction in progress	239,374	425,793	-	665,167
Total capital assets, not being depreciated	377,959	425,793	-	803,752
Capital assets, being depreciated				
Buildings and improvements	877,900	13,000	-	890,900
Fire trucks and equipment	7,415,540	396,960	181,825	7,630,675
Office equipment	30,806	-	19,395	11,411
Total capital assets, being depreciated	8,324,246	409,960	201,220	8,532,986
Accumulated depreciation				
Buildings and improvements	444,551	36,295	-	480,846
Fire trucks and equipment	3,158,874	459,616	170,901	3,447,589
Office equipment	19,169	-	7,758	11,411
Total accumulated depreciation	3,622,594	495,911	178,659	3,939,846
Total capital assets, being depreciated	4,701,652	(85,951)	22,561	4,593,140
Governmental activities capital assets, net	$ 5,079,611	$ 339,842	$ 22,561	$ 5,396,892

NOTE 3 – CAPITAL ASSETS AND LEASE ASSETS (CONTINUED)

Depreciation expense of $495,911 was charged to the public safety function for the year ended December 31, 2025.

The following is a summary of changes in governmental activities lease assets during the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Deletions	Balance at December 31, 2025
Lease assets, being amortized				
Fire trucks and equipment	$ 703,769	$ -	$ -	$ 703,769
Total lease assets, being amortized	703,769	-	-	703,769
Accumulated amortization				
Fire trucks and equipment	175,014	58,338	-	233,352
Total accumulated amortization	175,014	58,338	-	233,352
Total lease assets, net of amortization	$ 528,755	$ (58,338)	$ -	$ 470,417

Amortization expense of $58,338 was charged to the public safety function for the year ended December 31, 2025.

NOTE 4 – LONG-TERM DEBT

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Deletions	Balance at December 31, 2025	Due In One Year
Fire truck - lease liability (2020)	$ 301,478	$ -	$ 97,133	$ 204,345	$ 100,464
Compensated absences	154,282	16,622	-	170,904	85,452
Total	$ 455,760	$ 16,622	$ 97,133	$ 375,249	$ 185,916

Lease Liabilities

On February 24, 2020, the District entered into a master lease to purchase agreement for a new fire truck and associated equipment for $659,975, with the total amount financed through the lease to purchase agreement. The lease requires principal and interest payments in the aggregate amount of $107,412 annually with interest at 3.37% which is implicit per the lease agreement.

NOTE 4 – LONG-TERM DEBT (CONTINUED)

The final payment is due in 2027. The District has the option to purchase all the equipment covered by the lease agreement on any rent payment due date by paying the full outstanding balance of the lease, plus the termination value amount set forth in the lease agreement. The District expects to exercise the purchase option.

The lease purchase agreement does not constitute a general obligation debt of the District as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreement.

Annual debt service requirements to maturity for the lease agreement as of December 31, 2025 are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 100,464	$ 6,948	$ 107,412
2027	103,881	3,531	107,412
Total	$ 204,345	$ 10,479	$ 214,824

NOTE 5 – VOLUNTEEERS' PENSION FUND

Plan Description

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan area commingled for investment purposes in the Fire and Police member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA.

The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772.

Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service are entitled to benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit.

NOTE 5 – VOLUNTEEEERS' PENSION FUND (CONTINUED)

Surviving spouses are entitled to a 50 percent benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

At December 31, 2025, the following members were covered by the benefit terms:

Retirees and Beneficiaries	31
Inactive, Nonretired Members	1
Active Members	4
	36

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefit for a member is $275 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive $13.75 per month for every year of service. Survivor's death benefits range from $137.50 monthly benefit payment to 50 percent of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of $250.

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2023. Contributions into the pension fund are derived from two sources: contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2025, the District's contributions were $20,000, not including contributions from the State.

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

At December 31, 2025, the District reported a net pension asset of $412,436. The net pension asset was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2025. Standard update procedures were used to roll forward the total pension liability to December 31, 2025. For the year ended December 31, 2025, the District recognized pension income of $60,075. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 5 – VOLUNTEEERS' PENSION FUND (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 48,365
Change in assumptions	-	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	15,396	-
Contributions Subsequent to the Measurement Date	20,000	-
Total	$ 35,396	$ 48,365

$20,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2026	$ (20,630)
2027	4,560
2028	(11,110)
2029	(5,789)
Total	$ (32,969)

Actuarial Assumptions

The total pension liability in the January 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65

Mortality rates were based on the following:

NOTE 5 – VOLUNTEEEERS' PENSION FUND (CONTINUED)

- **Pre-retirement:** Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount -weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.
- **Post-retirement:** Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.
- **Disabled:** Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

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). Being that the plan's fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 7.00% was used as the discount rate.

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

NOTE 5 – VOLUNTEEERS' PENSION FUND (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	4.00%	4.20%
Fixed Income - Rates	7.00%	5.00%
Fixed Income - Credit	7.00%	6.50%
Absolute Return	9.00%	5.70%
Long Short	6.00%	5.60%
Global Equity	33.00%	7.00%
Private Markets	34.00%	8.80%
Total	100.00%	

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2024	$ 799,495	$ 1,086,769	$ (287,274)
Changes for the year:			
Service Cost	7,912	-	7,912
Interest	54,093	-	54,093
Net investment income	-	103,120	(103,120)
Contributions - employer	-	10,000	(10,000)
Benefit payments including refunds of employee contributions	(62,304)	(62,304)	-
Difference between expected and actual experience of Total Pension Liability	(76,815)	-	(76,815)
Administrative expense	-	(11,768)	11,768
State of Colorado supplemental discretionary payment	-	9,000	(9,000)
Net changes	(77,114)	48,048	(125,162)
Balance, December 31, 2025	$ 722,381	$ 1,134,817	$ (412,436)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1- percentage-point higher (8.00 percent) than the current rate:

NOTE 5 – VOLUNTEEERS' PENSION FUND (CONTINUED)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	$ (344,960)	$ (412,436)	$ (469,982)

The Fire & Police Pension Association 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 comprehensive annual financial report that can be obtained at http://www.fppaco.org.

On July 1, 1992, the District purchased annuity contracts for the benefit of retired volunteers as of July 1, 1992. The annuity contracts are in the name of the District. The insurance company has assumed responsibility for paying benefits to this group of retired volunteers. For legal compliance purposes, the annuity contracts list the District as both the owner and beneficiary of the contract in that, if a retiree dies within the first ten years of the contract, the remaining contract is paid to the District. Such payments, if any, will be recorded as revenue when received. In July 2015, the Board of Directors decided to increase the payments for retirees under this agreement beyond the amount being paid by the annuity, effective January 1, 2016. The additional payments to the members of the class under the District's prior Length of Service Award Program were approved to be made from the General Fund. The payments will be made on a quarterly basis subject to annual appropriation. Total payments during 2025 were $8,620.

NOTE 6 – STATEWIDE RETIREMENT PLAN

Plan Description

The District contributes to the Statewide Retirement Plan. The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 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.

NOTE 6 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan. In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan. The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent. Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). 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 a 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 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.

NOTE 6 – STATEWIDE RETIREMENT PLAN (CONTINUED)

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

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

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or noncompounding. 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. Noncompounding 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, a member may elect to have member contributions, along with 5 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 contributed 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.

NOTE 6 – STATEWIDE RETIREMENT PLAN (CONTINUED)

In 2025, the members of the defined benefit component and their employers contributed at a rate of 12.0 percent and 10.5 percent, respectively, of base salary for a total contribution rate of 22.5 percent. The District's contributions to the plan for the year ended December 31, 2025 were $364,532, equal to the required contributions.

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.

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

At December 31, 2025, the District reported a net pension liability of $0, representing its proportionate share of the net pension liability of the plan. The net pension asset was measured at December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2024, the District's proportion was 0.2970% which was an increase of 0.0780% from its proportion measured at December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense of $149,439. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 6 – STATEWIDE RETIREMENT PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 713,693	$ 22,324
Changes of Assumptions or other Inputs	255,424	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	101,387	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	51	443,553
Contributions Subsequent to the Measurement Date	364,532	-
Total	$ 1,435,087	$ 465,877

$364,532 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Amount
2026	$ 217,331
2027	359,598
2028	(37,485)
2029	(20,582)
2030	42,894
Thereafter	42,922
Total	$ 604,678

Actuarial Assumptions

The actuarial valuations as of January 1, 2025 determined the total pension liability using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
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%

NOTE 6 – STATEWIDE RETIREMENT PLAN (CONTINUED)

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 preretirement 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 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

NOTE 6 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
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.

The COLA assumption reflects the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the 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).

NOTE 6 – STATEWIDE RETIREMENT PLAN (CONTINUED)

For the purpose of the valuation, the long-term expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	$ 1,449,345	$ -	$ -

Pension Plan Fiduciary Net Position

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

Deferred Compensation Plan

The District has two deferred compensation plans created in accordance with Internal Revenue Code Section 457 in which employees can participate. The plans allow employees to defer a portion of their salary until future years. The first plan is administered by FPPA and participation in the plan is optional for all firefighting employees.

In 2012, the District started a second deferred compensation plan which is administered by Lincoln Financial Group. The plan was primarily established for administrative personnel not covered by FPPA. For the year ended December 31, 2025, the District contributed $17,344, into the plan for administrative personnel, with a continuing 1.8% matching contribution in future years.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for all risks of loss. The District did not have any claim settlements in excess of coverage for each of the past three years.

NOTE 8 – TAXPAYER BILL OF RIGHTS (TABOR)

Tax, Spending, and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 4, 1997, a majority of the District's electors authorized the District to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property, the full revenue generated by its existing mill levy (6.257 mills), nonfederal grants, fees, and any other excess revenue commencing January 1, 1996 and each subsequent year, notwithstanding any state restriction on Fiscal Year Spending, including without limitation, the restrictions of Article X, Section 20 of the

Colorado Constitution and spent as voter approved revenue changes and an exception to the limits which would otherwise apply for (a) equipment purchase, repair and maintenance, (b) capital improvements, and (c) District services, without limiting in any year the amount of other revenue that may be collected and spent by the District.

NOTE 8 – TAXPAYER BILL OF RIGHTS (TABOR) (CONTINUED)

On October 14, 1999, the Division of Local Government reviewed the District's November 1997 election question and found the language of the ballot question sufficient to waive the 5.5% property tax revenue limitation.

On May 6, 2008, a majority of the District's electors authorized the District to increase the existing mill levy by 2.650 mills, to provide fire, rescue, emergency medical and other emergency services, resulting in a total District mill levy rate exclusive of refunds, abatements or debt service, not to exceed 8.907 mills and authorized the District to collect, retain and spend the tax revenue collected from such total property tax rate, and all other revenue received from any source; commencing with taxes payable January 1, 2009, and continuing thereafter.

On November 7, 2017, a majority of the District's electors authorized the District to increase the existing mill levy by a rate up to 4.093 mills, resulting in a total District mill levy rate exclusive of refunds, abatements, or debt service, not to exceed 13,00 mills through ballot issue No. 4D. The revenue therefrom would be used to pay the District's operating, maintenance, and other expenses, including personnel costs necessary to improve the District's public and life safety-related services; commencing with taxes payable January 1, 2018; as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution (TABOR), or any other law, and as a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.

NOTE 9 – ECONOMIC DEPENDENCY

The District currently receives property tax revenue from two counties – Adams and Arapahoe. For Adams County, one taxpayer comprises over 20% of the County's total taxable assessed valuation. Loss of this taxpayer to the County would greatly reduce the taxable assessed valuation, thus reducing the amount of property tax revenue received by the District from the County.

REQUIRED SUPPLEMENTARY INFORMATION

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 8,135,394	$ 8,135,394	$ 8,100,796	$ (34,598)
Specific ownership taxes	275,000	275,000	428,930	153,930
Investment earnings	100,000	100,000	304,390	204,390
Emergency medical services	300,000	300,000	1,046,536	746,536
Grants and contributions	-	-	6,400	6,400
Outside fleet maintenance income	40,000	40,000	81,009	41,009
Other	12,000	12,000	95,214	83,214
Total revenues	$ 8,862,394	$ 8,862,394	$ 10,063,275	$ 1,200,881
Expenditures				
Current:				
Public safety				
Administration	226,581	226,581	220,075	6,506
Payroll and human resources	5,651,310	5,651,310	5,626,176	25,134
Facilities	354,250	354,250	301,520	52,730
Health and safety	58,000	58,000	27,922	30,078
Operations	489,500	489,500	385,856	103,644
Training	118,000	118,000	88,079	29,921
Public relations	21,000	21,000	20,407	593
Volunteer reimbursement	12,000	12,000	7,440	4,560
Annual banquet	22,000	22,000	22,070	(70)
Technology	109,500	109,500	89,221	20,279
Testing	34,900	34,900	26,331	8,569
Fleet	318,750	318,750	289,016	29,734
Miscellaneous	25,284	25,284	38,991	(13,707)
Insurance claim	-	-	46,579	(46,579)
Election	10,000	10,000	2,797	7,203
Legal and accounting	77,000	77,000	92,849	(15,849)
Professional services	-	-	20,157	(20,157)
Contribution to pension fund	20,000	20,000	20,000	-
VFIS volunteer payments	13,060	13,060	8,620	4,440
Capital outlay	1,034,535	1,205,335	1,432,343	(227,008)
Debt service				
Principal	97,246	97,246	97,133	113
Interest	10,167	10,167	10,280	(113)
Total expenditures	8,703,083	8,873,883	8,873,862	21
Excess (deficiency) revenue over (under) expenditures	159,311	(11,489)	1,189,413	1,200,902
Other financing sources				
Insurance proceeds	-	-	43,688	43,688
Proceeds from sale of capital assets	-	-	12,200	12,200
Transfer in	-	-	128,881	128,881
Total other financing sources	-	-	184,769	184,769
Net change in fund balance	$ 159,311	$ (11,489)	1,374,182	$ 1,385,671
Fund balances - beginning			6,180,871	
Fund balances - ending			$ 7,555,053	

See accompanying Independent Auditors' Report.

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
STATEWIDE RETIREMENT PLAN
LAST TEN FISCAL YEARS

Fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan measurement date	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
District's proportion of the net pension liability	0.2970%	0.2190%	0.2030%	0.1939%	0.1863%	0.1471%	0.1465%	0.1315%	0.0991%	0.0854%
District's proportionate share of the net pension liability (asset)	$ -	$ -	$ 180,150	$ (1,050,899)	$ (404,386)	$ (83,202)	$ 185,171	$ (189,185)	$ 35,816	$ (1,506)
District's covered payroll	$ 3,238,432	$ 2,151,564	$ 1,765,168	$ 1,561,068	$ 1,496,113	$ 1,084,275	$ 981,100	$ 769,195	$ 507,287	$ 414,188
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.0%	0.0%	10.2%	(67.3%)	(27.0%)	(7.7%)	18.9%	(24.6%)	7.1%	(0.4%)
Plan fiduciary net pension as a percentage of the total pension liability	100.00%	100.00%	97.60%	116.20%	106.70%	101.90%	95.23%	106.34%	98.21%	100.10%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the plan.

See accompanying Independent Auditors' Report.

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
STATEWIDE RETIREMENT
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	$ 364,532	$ 323,844	$ 204,400	$ 158,865	$ 132,691	$ 119,689	$ 86,742	$ 78,488	$ 61,535	$ 40,583
Contributions in relation to the statutorily required contributions	364,532	323,844	204,400	158,865	132,691	119,689	86,742	78,488	61,535	40,583
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,471,733	$ 3,238,432	$ 2,151,564	$ 1,765,168	$ 1,561,068	$ 1,496,113	$ 1,084,275	$ 981,100	$ 769,195	$ 507,287
Contributions as a percentage of covered payroll	10.5%	10.0%	9.5%	9.0%	8.5%	8.0%	8.00%	8.00%	8.00%	8.00%

See accompanying Independent Auditors' Report.

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VOLUNTEER PENSION PLAN
LAST TEN FISCAL YEARS

Measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 7,912	$ 7,912	$ 10,627	$ 10,627	$ 6,257	$ 6,257	$ 8,996	$ 8,996	$ 4,981	$ 4,981
Interest	54,093	54,152	55,869	55,773	56,662	56,702	58,620	58,078	35,247	35,300
Changes in benefit terms	-	-	-	-	-	-	-	-	275,148	-
Differences between actual and expected experience	(76,815)	-	(35,055)	-	(13,604)	-	(8,458)	-	24,933	-
Changes in assumptions	-	-	9,735	-	-	-	33,525	-	16,782	-
Benefit payments	(62,304)	(63,473)	(65,260)	(64,806)	(63,525)	(63,555)	(62,203)	(57,590)	(51,794)	(30,561)
Net change in total pension liability	(77,114)	(1,409)	(24,084)	1,594	(14,210)	(596)	30,480	9,484	305,297	9,720
Total pension liability - beginning	799,495	800,904	824,988	823,394	837,604	838,200	807,720	798,236	492,939	483,219
Total pension liability - ending	$ 722,381	$ 799,495	$ 800,904	$ 824,988	$ 823,394	$ 837,604	$ 838,200	$ 807,720	$ 798,236	$ 492,939
Plan Fiduciary Net Position										
Contributions - employer	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Net investment income	103,120	97,911	(95,862)	158,270	127,887	132,258	584	131,274	47,591	16,354
Benefit payments including refunds of employee contributions	(62,304)	(63,473)	(65,260)	(64,806)	(63,525)	(63,555)	(62,203)	(57,590)	(51,794)	(30,561)
Pension plan administrative expense	(11,768)	(13,880)	(11,302)	(11,121)	(8,947)	(11,077)	(10,970)	(10,873)	(1,693)	(3,728)
State of Colorado discretionary payment	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Net change in plan fiduciary net position	48,048	39,558	(153,424)	101,343	74,415	76,626	(53,589)	81,811	13,104	1,065
Plan Fiduciary net position - beginning	1,086,769	1,047,211	1,200,635	1,099,292	1,024,877	948,251	1,001,840	920,029	906,925	905,860
Plan Fiduciary net position - ending	$ 1,134,817	$ 1,086,769	$ 1,047,211	$ 1,200,635	$ 1,099,292	$ 1,024,877	$ 948,251	$ 1,001,840	$ 920,029	$ 906,925
Net pension liability (asset) - ending	$ (412,436)	$ (287,274)	$ (246,307)	$ (375,647)	$ (275,898)	$ (187,273)	$ (110,051)	$ (194,120)	$ (121,793)	$ (413,986)
Plan fiduciary net position as a percentage of total pension liability	157.09%	135.93%	130.75%	145.53%	133.51%	122.36%	113.13%	124.03%	115.26%	183.98%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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

See accompanying Independent Auditors' Report.

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
VOLUNTEER PENSION PLAN
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ -	$ -	$ -	$ 1,799	$ 1,799	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Actual contribution*	29,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Contribution deficiency (excess)	$ (29,000)	$ (19,000)	$ (19,000)	$ (17,201)	$ (17,201)	$ (9,000)	$ (9,000)	$ (9,000)	$ (9,000)	$ (9,000)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions 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

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

Notes to Schedule:

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023 determines the contribution amounts for 2024 and 2025.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	**Pre-retirement:** Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. **Post-retirement:** Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. **Disabled:** Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate project scale, with minimum probability of 3.5% for males and 2.5% for females.

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

SUPPLEMENTARY INFORMATION

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL EXPANSION FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Development fees	$ 150,000	$ 676,847	$ 526,847
Investment earnings	400	79,833	79,433
Total Revenues	150,400	756,680	606,280
Expenditures			
Public safety			
Capital outlay	200,000	-	200,000
Total Expenditures	200,000	-	200,000
Excess revenue over (under) expenditures	(49,600)	756,680	806,280
Other financing sources (uses)			
Transfer out	-	(128,881)	(128,881)
Total other financing sources (uses)	-	(128,881)	(128,881)
Net change in fund balance	$ (49,600)	627,799	$ 677,399
Fund balances - beginning		1,563,648	
Fund balances - ending		$ 2,191,447	

See accompanying Independent Auditors’ Report.

OTHER INFORMATION

BENNETT FIRE PROTECTION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND
PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy (1)	Mills Levies	Total Property Taxes Levied	Total Property Taxes Collected Currently	Percent Collected to Levied
2019	$ 191,744,893	13.041	$ 2,500,545	$ 2,494,985	99.78%
2020	281,629,650	13.070	3,680,900	3,678,646	99.94%
2021	302,691,525	13.122	3,971,918	3,956,178	99.60%
2022	286,322,838	13.122	3,757,128	3,737,770	99.48%
2023	381,246,834	13.152	5,014,158	4,966,555	99.05%
2024	632,021,749	13.279	8,392,617	8,718,011	103.88%
2025	616,137,555	13.233	8,153,348	8,098,653	99.33%
Estimated for the year ending December 31, 2026	$ 905,217,955	10.898	9,865,065		

*2024 and 2025 collections include SB22-238 property tax backfill amounts received during the fiscal year