EVANS FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2025

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditors' Report	
Management's Discussion and Analysis	i - vi
Basic Financial Statements	
Government–Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	5
Notes to the Financial Statements	6 – 27
Required Supplemental Information	
General Fund – Budgetary Comparison Schedule	28
Schedule of Contributions - Volunteer Firefighters' Pension Plan	29
Schedule of Changes in Net Pension Liability/(Asset) and Related Ration – Volunteer Firefighters Pension Plan	30
Schedule of the District's Proportionate Share – Statewide Defined Benefit Plan	31
Schedule of the District's Contributions – Statewide Defined Benefit Plan	32

FINANCIAL SECTION

JOHN CUTLER & ASSOCIATES

Board of Directors
Evans Fire Protection District
Evans, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of the Evans 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 accompanying 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 Evans Fire Protection District as of December 31, 2025, and the respective changes in financial position, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Evans Fire Protection District and to meet our 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 the 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 judgement, 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 on pages i-vi and the required budgetary and pension information on pages 28-32 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 (GASB) 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.

John Cutler & Associates, LLC

July 2, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

To serve the citizens of the Evans Fire Protection District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. Please read the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- At the end of 2025, the District's assets exceeded its liabilities by $10.8 million (net position). Of this amount $2.73 million is investment in capital assets (buildings, machinery, vehicles). An additional $144 thousand is restricted per TABOR requirements.
- The District budget allowed for $4.47 million in revenues. The General Revenues collected totaled $4.79 million. The overage is due to interest earned on investment accounts and fire prevention fees collected..

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – Reporting the District as a Whole

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The ***statement of net position*** presents information on all of the Districts' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The ***statement of activities*** presents information showing how the 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include administration, District Board support and elections, maintenance and new construction of facilities and apparatus, and debt service.

The government-wide financial statements include solely the operations of the District itself. There are no additional discrete or blended component units.

Fund Financial Statements – Reporting the District's Most Significant Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives, or as required by legal enabling legislation. The District, like other special districts, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are considered governmental funds.

Governmental funds - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on upcoming inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's upcoming financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the different statements.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on Pages 6-27 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. Required and other supplementary information can be found on Pages 28-32 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Evans Fire Protection District as a Whole

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $10.8 million at the close of 2025.

The District's net investment in capital assets (e.g., machinery and equipment) reflects a balance of $2.73 million. Net position is reflected in the statements at historical cost less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subjected to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position ($7.9 million) may be used to meet the District's ongoing obligations to citizens and creditors.

Table 1 provides a summary of the District's net position for 2025 as compared to 2024.

Table 1
Evans Fire Protection District
Net Position ($000's)

	Governmental Activities	
	2025	**2024**
Assets:		
Current and other assets	$12,814	$12,844
Capital assets	2,732	2,756
Total assets	15,546	15,600
Deferred Outflows of Resources	1,127	1,225
Liabilities:		
Current liabilities	81	179
Long-term liabilities	1,561	1,340
Total liabilities	1,642	1,520
Liabilities now includes Volunteer Pension Liability per GASB 68 Standard		
Deferred Inflows of Resources	4,251	3,917
Net Position:		
Net investment in capital assets	2,733	2,756
Restricted	144	174
Unrestricted	7,904	8,458
Total net position	10,780	11,389

Table 2 shows the condensed Statement of Activities for fiscal 2025 compared to fiscal year 2024.

Table 2
Evans Fire Protection District
Condensed Statement of Activities ($000's)

		Governmental Activities	
		2025	**2024**
Revenues:			
	Property taxes	3,775	4,562
	Specific ownership taxes	153	147
	Impact & Other Fees	252	458
	Intergovernmental	315	291
	Other	296	347
Total General Revenues		4,792	5,806
Expenses:			
	General Government	5,401	4,488
Change in net position		(609)	1,318

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2025, the District's governmental funds reported ending fund balances of $8.7 million. Approximately 97 percent of this total amount ($8.4 million) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of fund balance ($281 thousand), is reserved to indicate that it is not available for new spending because it has been restricted to: 1) provide an emergency reserve as required by the State Constitution (amendment to Article X, Section 20) and 2) committed and assigned fund balance which was accumulated due to revenues which were assigned to a specific function (for example, transfers for capital replacement).

The General Fund is the chief operating fund of the District. As of December 31, 2025, the unassigned fund balance of the general fund was $8.4 million. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were $4.79 million, which was slightly higher than original budgetary amounts.

Actual expenditures and other financing uses totaled $5 million. The fund balance as of December 31, 2025 is $8.7 million. Of this amount, $144 thousand is restricted for emergencies and $8.4 million is unassigned and available for appropriations as the District Board sees fit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The District's investment in capital assets for its governmental activities as of December 31, 2025 amounted to $2.73 million (net of accumulated depreciation). This investment includes land, buildings, machinery, and equipment.

Evans Fire Protection District Capital Assets (net of depreciation) ($000's)

	Governmental Activities	
	2025	**2024**
Buildings & Improvements	2,147	2,242
Equipment	(21)	0
Vehicles	394	301
Land (not being depreciated)	213	213
Total	$ 2,732	$ 2,756

Additional information on the District's capital assets can be found in the notes to the financial statements on Page 14 of this report.

Debt - As of December 31, 2025, the District had no outstanding debt.

Evans Fire Protection District Outstanding Debt ($000's)

	Governmental Activities	
	2025	**2024**
Compensated Absences	$ 655	$ 567

The increase in Compensated Absences is due to a change in how this amount is calculated. Additional information on the District's long-term debt can be found in the notes to the financial statements on Page 14 of this report.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Evans Fire Protection District Administrative Office, 2100 37th Street, Evans, Colorado 80620, (970) 339-3920 x202.

BASIC FINANCIAL STATEMENTS

EVANS FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
As of December 31, 2025

	GOVERNMENTAL ACTIVITIES	
	2025	2024
ASSETS		
Cash and Investments	$ 8,540,844	$ 8,772,277
Receivables		
Accounts	55,738	205,635
Property Taxes	4,080,051	3,773,226
Prepaid Expenses	136,713	92,734
Capital Assets, Not Depreciated	213,236	213,236
Capital Assets, Depreciated		
Net of Accumulated Depreciation	2,519,057	2,543,205
TOTAL ASSETS	15,545,639	15,600,313
DEFERRED OUTFLOWS OF RESOURCES		
Related to Volunteer Pension	145,815	174,723
Related to SWDB Pension	980,838	1,050,664
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,126,653	1,225,387
LIABILITIES		
Accounts Payable	40,903	43,312
Accrued Salaries and Benefits	40,015	136,050
Accrued Compensated Absences	654,552	567,241
Noncurrent Liabilities		
Net Pension Liability - Volunteer Pension	906,016	773,109
TOTAL LIABILITIES	1,641,486	1,519,712
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenues - Property Taxes	4,080,051	3,773,226
Related to Volunteer Pension	43,614	49,827
Related to SWDB Pension	127,306	94,433
TOTAL DEFERRED INFLOWS OF RESOURCES	4,250,971	3,917,486
NET POSITION		
Net Investment in Capital Assets	2,732,293	2,756,441
Restricted for Emergencies	144,000	174,200
Unrestricted	7,903,542	8,457,861
TOTAL NET POSITION	$ 10,779,835	$ 11,388,502

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

EVANS FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net Expense (Revenues) and Change in Net Position: Governmental Activities 2025	Net Expense (Revenues) and Change in Net Position: Governmental Activities 2024
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	$ 5,402,637	$ -	$ 1,770	$ (5,400,867)	$ (4,488,016)
Total Governmental Activities	5,402,637	-	1,770	(5,400,867)	(4,488,016)
GENERAL REVENUES					
Property Taxes				3,775,287	4,561,752
Specific Ownership Taxes				153,068	147,154
Impact and Other Fees				252,773	458,439
Intergovernmental				315,402	290,896
Other				295,670	347,353
TOTAL GENERAL REVENUES				4,792,200	5,805,594
CHANGE IN NET POSITION				(608,667)	1,317,578
NET POSITION, Beginning				11,388,502	10,070,924
NET POSITION, Ending				$ 10,779,835	$ 11,388,502

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

EVANS FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2025

	GENERAL FUND	
	2025	2024
ASSETS		
Cash and Investments	$ 8,540,844	$ 8,772,277
Accounts Receivable	55,738	205,635
Property Taxes Receivable	4,080,051	3,773,226
Prepaid Expenses	136,713	92,734
TOTAL ASSETS	$ 12,813,346	$ 12,843,872
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY		
LIABILITIES		
Accounts Payable	$ 40,903	$ 43,312
Accrued Expenses	40,015	136,050
TOTAL LIABILITIES	80,918	179,362
DEFERRED INFLOWS		
Deferred Revenues - Property Taxes	4,080,051	3,773,226
FUND EQUITY		
Fund Balance		
Nonspendable	136,713	92,734
Restricted for Emergencies	144,000	174,200
Unassigned	8,371,664	8,624,350
TOTAL FUND EQUITY	8,652,377	8,891,284
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	$ 12,813,346	$ 12,843,872
Amounts reported for governmental activities in the statement of net position are different because:		
Fund Equity, Governmental Funds	8,652,377	8,891,284
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	2,732,293	2,756,441
Long-term liabilities and related assets are not due and payable in the current period and are not reported in the funds. This includes compensated absences ($654,552), net pension liability of ($906,016), deferred outflows related to pensions of $1,126,653 and deferred inflows related to pensions of ($170,920).	(604,835)	(259,223)
Net position of governmental activities	$ 10,779,835	$ 11,388,502

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

EVANS FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL FUND	
	2025	2024
REVENUES		
Property Taxes	$ 3,775,287	$ 4,561,752
Specific Ownership Taxes	153,068	147,154
Intergovernmental	315,402	290,896
Impact and Other Fees	252,773	458,439
Grants	1,770	9,992
Interest	274,882	308,470
Miscellaneous	20,788	38,883
TOTAL REVENUES	4,793,970	5,815,586
EXPENDITURES		
Current		
Salaries and Benefits	3,900,203	3,425,910
Operations	924,803	665,559
Capital Outlay	207,871	527,532
TOTAL EXPENDITURES	5,032,877	4,619,001
NET CHANGE IN FUND BALANCES	(238,907)	1,196,585
FUND BALANCES, Beginning	8,891,284	7,694,699
FUND BALANCES, Ending	$ 8,652,377	$ 8,891,284

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

EVANS FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Changes in Fund Balances - Total Governmental Funds	$	(238,907)
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. This is the amount by which depreciation expense ($229,819), exceeded capital outlay, $205,671, for the current year.		(24,148)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the change in accrued compensation absences.		(87,311)
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.		(258,301)
Change in Net Position of Governmental Activities	$	(608,667)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Evans Fire Protection District (the "District") was formed in 2011 to provide fire protection services for the Town of Evans, Colorado. The District provides emergency services for fires, medical emergencies, rescues, hazardous materials releases, and man-made disasters within the District. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are recorded at fair value.

Capital Assets

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

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

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

Buildings	15 - 40 years
Machinery and Equipment	5 - 20 years
Vehicles	5 - 15 years

Compensated Absences

Employees of the District are allowed to accumulate unused paid time off (PTO) up to an accrual amount ("cap") as stated in the District Member Handbook. Upon termination of employment with the District, an employee is compensated for all of the employee's accrued but unused PTO, if any, at the employee's current rate of pay.

These compensated absences are recognized when due in the governmental funds types. A liability has been recorded in the government-wide financial statements for accrued compensated absences.

Long-Term Obligations

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

Property Taxes

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

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

Net Position

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

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Position represent assets that do not have any third-party limitation on their use. While District management may have categorized and segmented portions for various purposes, the Board of Directors has the unrestricted authority to revisit or alter these managerial decisions

Fund Balance Classification

In the government-wide financial statements, net positions are restricted when constraints placed on the net positions are externally imposed.

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. At December 31, 2025, the District reports prepaid expenses as nonspendable.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by the State Constitution for declared emergencies.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (motion or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not report any committed resources as of December 31, 2025.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Before October 15, the Board of Directors appoints District Management as the District's Budget Officer.
- On or before October 15, District Management, acting as the Budget Officer submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- At least one public hearing is conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between one or more line items within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

Legal Compliance

The actual expenditures of the General Fund exceeded the budgeted amount by $166,607. This may be a violation of State statutes.

NOTE 3: CASH DEPOSITS

A summary of deposits as of December 31, 2025, follows:

Cash Deposits	$ 2,285,210
Investments	6,255,634
Total	**$ 8,540,844**

Deposits

Custodial Credit Risk -Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

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

At December 31, 2025, the District had deposits with financial institutions with a carrying amount of $2,285,410. The bank balances with the financial institutions were $2,427,752. Of these balances, $2,045,714 was covered by federal depository insurance and $382,038 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

NOTE 3: CASH DEPOSITS (Continued)

Credit Risk (Continued)

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

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

Local Government Investment Pools

The District had invested $6,255,634 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2025, is summarized below:

	Balances 12/31/24	Additions	Deletions	Balances 12/31/25
Governmental Activities				
Capital Assets, not depreciated				
Land	$ 213,236	$ -	$ -	$ 213,236
Total Capital Assets, not depreciated	213,236	-	-	213,236
Capital Assets, depreciated				
Buildings and Improvements	3,364,414	-	-	3,364,414
Machinery and Equipment	344,229	-	-	344,229
Vehicles	1,802,267	205,671	-	2,007,938
Total Capital Assets, depreciated	5,510,910	205,671	-	5,716,581
Less Accumulated Depreciation				
Buildings and Improvements	1,122,079	95,560	-	1,217,639
Machinery and Equipment	344,229	21,219	-	365,448
Vehicles	1,501,397	113,040	-	1,614,437
Total Accumulated Depreciation	2,967,705	229,819	-	3,197,524
Total Capital Assets, depreciated, Net	2,543,205	(24,148)	-	2,519,057
Governmental Activities, Capital Assets, Net	**$ 2,756,441**	**$ (24,148)**	**$ -**	**$ 2,732,293**

Depreciation expense was charged to general government program of the District.

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2025.

	Balance 12/31/24	Additions	Payments	Balance 12/31/25	Due In One Year
Compensated Absences	$ 567,241	$ 87,311	$ -	$ 654,552	$ -
Total	**$ 567,241**	**$ 87,311**	**$ -**	**$ 654,552**	**$ -**

Compensated Absences will be paid from the General Fund.

NOTE 6: RISK MANAGEMENT

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

NOTE 7: COMMITMENTS AND CONTINGENCIES

Taxpayer's Bill of Rights (TABOR)

TABOR Amendment - Colorado voters passed the Taxpayer's Bill of Rights (TABOR), which amended the State Constitution to add Article X, Section 20, which imposes several limitations and requirements, including revenue raising, spending abilities, and other specific requirements of state and local government. Upon formation of the District in 2011, the District's voters exempted the District from TABOR's revenue and spending limits, and the annual revenue limits imposed by Section 29-1-301 of the Colorado Revised Statutes.

The District has established an emergency reserve, representing 3% of fiscal year spending (excluding debt service), as required by TABOR. At December 31, 2025, the emergency reserve of $144,000 was recorded in the General Fund. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

Impact Fees

In December 2016 the District entered into an Intergovernmental Agreement with the City of Evans, Colorado regarding the collection and distribution of impact fees. Under the terms of the agreement, the City will collect and distribute any impacted fees to the District. For the year ended December 31, 2025, the District received $240,133 for impact fees collected by the City of Evans, Colorado under the terms of the agreement.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Volunteer Firefighters' Pension Plan

Summary of Significant Accounting Policies

The District has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

General Information about the Pension Plan

Plan Description. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for years of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board. 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. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plan. That report may be obtained on FPPA's website at http://www.fppaco.org.

Funding Policy. An actuary is used to determine the annual required contribution ("ARC") necessary to maintain the actuarial soundness of the Plan. Colorado law requires the State to make an annual contribution to the Plan. Because the District's monthly benefit amount is over $300, the State's annual contribution is calculated as the highest State contribution made between 1998 and 2001. The District makes an additional contribution to support the plan.

The actuarial study as of January 1, 2025, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan.

At December 31, 2025, there are 23 retired volunteers receiving benefits and 4 inactive, nonretired volunteers.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

Pension Liabilities, 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 liability of $906,016. The net pension liability 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 expense of $243,602.

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	N/A	N/A
Net difference between projected and actual earnings on pension plan investments	$57,815	$43,614
Change in assumptions and other inputs	N/A	N/A
Contributions subsequent to the measurement date	88,000	N/A
Total	**$145,815**	**$43,614**

$88,000 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 ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2024	$7,274
2025	$20,227
2026	$(8,682)
2027	($4,618)

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

Actuarial assumptions: Method, 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 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.

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.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Liquidity	4.00%	4.20%
Fixed Income - Rates	7.00%	5.00%
Fixed Income - Credit	7.00%	6.50%
Diversifiers	9.00%	5.70%
Long Short	6.00%	6.20%
Global Public Equity	33.00%	7.00%
Private Markets	34.00%	8.80%
Total	100.0%	

Sensitivity of the District's net pension asset to changes in the discount rate. The following presents the net pension asset calculated using the discount rate of 6.00 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Proportionate share of the net pension asset	$1,100,011	$906,016	$743,164

FPPA System Description. 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.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Statewide Retirement Plan

Plan Description

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

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

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

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

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

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.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

Description of Benefits (Continued)

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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

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

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

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

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

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

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

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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 2024, the total combined member and employer contribution rate was 22.0 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 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.0 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2024, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2024 through June 30, 2024 was 14.24 percent.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

Contributions (Continued)

Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions form 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 Liabilities, 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 in the amount of $0 for its proportionate share of the SRP Plan net pension asset. The SRP Plan net pension asset was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2024. Standard update procedures were used to roll forward the total pension liability to December 31, 2025. The District's proportion of the SRP Plan net pension asset was based on the District's contributions to the SRP Plan for the calendar year 2024 relative to the total contributions of participating employers to the SRP Plan.

At December 31, 2025, the District's proportion was 0.20122%, which was an increase of 0.00826% from its proportion measured as of December 31, 2024.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

For the year ended December 31, 2025, the District recognized SRP pension expense of $358,283. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to SRP pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$483,519	$15,124
Net difference between projected and actual earnings on pension plan investments	$68,688	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	$112,182
Change in assumptions and other inputs	$173,047	N/A
Contributions subsequent to the measurement date	$255,584	N/A
Total	$980,838	$127,306

$255,584 reported as deferred outflows of resources related to SRP 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, 2025.

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

Year ended December 31	
2025	$194,064
2026	$278,912
2027	$7,377
2028	$17,362
2029	$54,076
Thereafter	$46,158

Actuarial assumptions. The actuarial valuations for the SWBP Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2025
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.75 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2024
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.75 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy 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 the 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.

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 & 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.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

The long-term expected rate of return on SRP 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 SRP Plan's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	33.00%	7.00%
Equity Long/Short	6.00%	6.20%
Private Markets	34.00%	8.80%
Fixed Income – Rates	7.00%	5.00%
Fixed Income – Credit	7.00%	6.50%
Absolute Return	9.00%	5.70%
Cash	4.00%	4.20%
Total	100.00%	

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

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).

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

For the purpose of this valuation, the expected rate of return on SRP pension plan investments is 7.00%; the municipal bond rate is 4.08% (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%.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net asset liability/(asset) to changes in the Single Discount Rate, the following presents the SRP 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 or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	$981,916	-	-

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

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through June 2, 2026. It was determined that the following event should be disclosed:

The District is in the process of obtaining financing with First National Bank of Omaha (FNBO) for the purchase of a tower apparatus. The purchase price is $1,800,000 with $650,000 to be financed at an interest rate to be determined. The purchase is expected to be completed by July 2026.

REQUIRED SUPPLEMENTAL INFORMATION

EVANS FIRE PROTECTION DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Property Taxes	$ 3,778,351	$ 3,778,351	$ 3,775,287	$ (3,064)	$ 4,561,752
Specific Ownership Taxes	135,000	152,981	153,068	87	147,154
Intergovernmental	274,545	300,564	315,402	14,838	290,896
Impact and Other Fees	39,000	99,171	252,773	153,602	458,439
Grants	1,800	4,270	1,770	(2,500)	9,992
Interest	206,045	262,383	274,882	12,499	308,470
Miscellaneous	35,000	482,289	20,788	(461,501)	38,883
TOTAL REVENUES	4,469,741	5,080,009	4,793,970	(286,039)	5,815,586
EXPENDITURES					
Current					
Salaries and Benefits	3,800,891	3,797,882	3,900,203	(102,321)	3,425,910
Operations	588,877	730,377	924,803	(194,426)	665,559
Capital Outlay	35,000	338,011	207,871	130,140	527,532
TOTAL EXPENDITURES	4,424,768	4,866,270	5,032,877	(166,607)	4,619,001
CHANGE IN FUND BALANCE	44,973	213,739	(238,907)	(452,646)	1,196,585
FUND BALANCE, Beginning	8,440,878	8,922,000	8,891,284	(30,716)	7,694,699
FUND BALANCE, Ending	$ 8,485,851	$ 9,135,739	$ 8,652,377	$ (483,362)	$ 8,891,284

See the accompanying independent auditors' report.

Volunteer Firefighters' Pension Plan
December 31, 2025

FY Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 83,647	$ 110,123	$ (26,476)	N/A	N/A
2016	56,939	110,985	(54,046)	N/A	N/A
2017	82,282	110,123	(27,841)	N/A	N/A
2018	82,282	110,123	(27,841)	N/A	N/A
2019	82,282	110,123	(27,841)	N/A	N/A
2020	66,491	88,000	(21,509)	N/A	N/A
2021	66,491	132,246	(65,755)	N/A	N/A
2022	87,113	110,123	(23,010)	N/A	N/A
2023	87,113	110,123	(23,010)	N/A	N/A
2024	76,644	110,123	(33,479)	N/A	N/A

See the accompanying independent auditors' report.

EVANS FIRE PROTECTION DISTRICT

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

Measurement Period Ending December 3	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	$ 4,789	$ 4,789	$ 2,854	$ 2,854	$ 1,731	$ 1,731	$ -	$ -	$ -	$ -
Interest on the Total Pension Liability	90,582	88,878	111,429	110,379	96,509	95,349	92,495	90,403	115,958	113,185
Benefit Changes	-	290,456	-	-	-	-	-	357,524	-	-
Difference Between Expected and Actual Experiences	-	5,033	-	(140,966)	-	(21,663)	-	39,771	-	44,328
Assumption Changes	-	46,572	-	54,262	-	-	-	19,307	-	162,852
Benefit Payments	(103,373)	(133,353)	(134,865)	(121,463)	(116,303)	(113,265)	(117,473)	(127,474)	(156,898)	(154,190)
Net Change in Total Pension Liability	(8,002)	302,375	(20,582)	(94,934)	(18,063)	(37,848)	(24,978)	379,531	(40,940)	166,175
Total Pension Liability - Beginning	1,256,161	1,248,159	1,550,534	1,529,952	1,435,018	1,416,955	1,379,107	1,354,129	1,733,660	1,692,720
Total Pension Liability - Ending	$ 1,248,159	$ 1,550,534	$ 1,529,952	$ 1,435,018	$ 1,416,955	$ 1,379,107	$ 1,354,129	$ 1,733,660	$ 1,692,720	$ 1,858,895
Plan Fiduciary Net Position										
Employer Contribution	$ 88,000	$ 88,862	$ 88,000	$ 88,000	$ 88,000	$ 88,000	$ 88,000	$ 88,000	$ 88,000	$ 88,000
Pension Plan Net Investment Income	11,218	32,623	90,305	1,103	96,730	93,276	125,411	(75,725)	80,892	85,664
Benefit Payments	(103,373)	(133,353)	(134,865)	(121,463)	(116,303)	(113,265)	(117,473)	(127,474)	(156,898)	(154,190)
Pension Plan Administrative Expenses	(4,522)	(1,253)	(6,927)	(7,099)	(7,325)	(5,662)	(6,793)	(8,266)	(8,913)	(8,329)
State of Colorado Supplemental Discretionary Payment	22,123	22,123	22,123	22,123	22,123	-	44,246	22,123	22,123	22,123
Net Change in Plan Fiduciary Net Positio	13,446	9,002	58,636	(17,336)	83,225	62,349	133,391	(101,342)	25,204	33,268
Plan Fiduciary Net Position - Beginning	652,936	666,382	675,384	734,020	716,684	799,909	862,258	995,649	894,307	919,611
Plan Fiduciary Net Position - Ending	666,382	675,384	734,020	716,684	799,909	862,258	995,649	894,307	919,511	952,879
Net Pension Liability/(Asset)	$ 581,777	$ 875,150	$ 795,932	$ 718,334	$ 617,046	$ 516,849	$ 358,480	$ 839,353	$ 773,209	$ 906,016
Plan Fidiciary Net Position as a Percentage of Total Pension Liability	53.39%	43.56%	47.98%	49.94%	56.45%	62.52%	73.53%	51.58%	54.32%	51.26%
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/(Asset) 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

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

EVANS FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportionate share of the Net Pension Liability (Asset)	0.175%	0.181%	0.170%	0.174%	0.158%	0.176%	0.183%	0.190%	0.193%	0.201%
District's proportionate share of the Net Pension Liability (Asset)	$ (3,088)	$ 65,471	$ (244,097)	$ 219,759	$ 89,457	$ 382,168	$ (991,444)	$ 168,962	$ -	$ -
District's covered payroll	$ 775,599	$ 944,519	$ 1,059,074	$ 1,156,980	$ 1,128,411	$ 1,400,652	$ 1,554,280	$ 1,786,090	$ 2,062,410	$ 2,555,840
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-0.4%	6.9%	-23.0%	19.0%	7.9%	27.3%	-63.8%	9.5%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%	97.6%	97.6%	100.0%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

See the accompanying independent auditors' report.

EVANS FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Statutorily required contributions	$ 75,562	$ 100,612	$ 148,586	$ 109,913	$ 107,199	$ 118,114	$ 139,885	$ 169,330	$ 206,241	$ 255,584
Contributions in relation to the Statutorily required contributions	75,562	100,612	148,586	109,913	107,199	118,114	139,885	169,330	206,241	255,584
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 944,519	$ 1,059,074	$ 1,564,062	$ 1,156,980	$ 1,128,411	$ 1,243,305	$ 1,472,474	$ 1,782,421	$ 2,062,410	$ 2,555,840
Contributions as a percentage of covered payroll	8.00%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	10.00%	10.00%

See the accompanying independent auditors' report.