EATON
FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

Year Ended December 31, 2025

ANDERSON & WHITNEY

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A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

Board of Directors
Eaton Fire Protection District
Eaton, Colorado

Opinions

We have audited the accompanying balance sheet/statement of net position, and the statement of revenues, expenditures and changes in fund balances/statement of activities of the governmental activities, the major fund, and the budgetary comparison statement of Eaton 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 basic financial statements.

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

Basis for Opinions

We conducted our audits 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 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.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management discussion and analysis and 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.

Anderson r Whitney, P.C.

September 24, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the Eaton Fire Protection District (EFPD) for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

* EFPD's assets exceeded liabilities by $18.3 million at December 31, 2025.

* The General Fund balance was $13.3 million as of December 31, 2025. Of this amount, $191,601 is restricted for emergencies.

* The December 31, 2025 General Fund balance is $1,132,982 more than the previous year.

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 contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide Financial Statements. 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 District's 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 District's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the 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 the statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements. 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. EFPD, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. EFPD has one governmental fund, a General Fund.

Governmental Funds. *Governmental funds* are used to account for essentially 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 *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 adjustments to facilitate this comparison between *governmental funds* and *governmental activities*, which are also explained in the notes.

The basic governmental fund financial statements can be found on pages 9 and 10 of this report.

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 can be found on pages 13 through 34 of this report.

Budgetary Comparisons. EFPD adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund on pages 11 through 12 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2025, assets exceeded liabilities by $18,260,108.

The following table provides a summary of the District's net position:

December 31	2025	2024
Assets:		
Current and other assets	$ 19,688,799	$ 19,961,559
Capital assets	6,264,323	4,239,308
Total Assets	25,953,122	24,200,867
Deferred Outflows of Resources:		
Pension Plans	1,082,818	1,269,861
Liabilities:		
Current and other liabilities	307,074	190,956
Long-term liabilities	1,432,448	1,737,595
Net pension liability	774,651	401,301
Total Liabilities	2,514,173	2,329,852
Deferred Inflows of Resources:		
Deferred Property Taxes	6,202,212	5,076,418
Pension Plans	59,447	120,119
Total Deferred Inflows	6,261,659	5,196,537
Net Position:		
Net Investment in capital assets	4,831,875	5,149,579
Restricted	191,601	282,917
Unrestricted	13,236,632	12,511,843
Total Net Position	$ 18,260,108	$17,944,339

A significant portion of EFPD's net position represents unrestricted net position of $13,236,632 which may be used to meet the District's ongoing obligations to patrons.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include land, building, equipment, and vehicles. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional $191,601 of the District's net position represents resources that are subject to external restriction on how they may be used. Included in this category are the TABOR emergency reserves of $191,601.

The following table indicates the changes in net position:

Years Ended December 31	2025	2024
Revenues:		
General revenues:		
Property and S.O. taxes	$5,717,234	$ 8,706,249
Investment earnings	590,088	597,984
Other revenue and grants	79,363	126,344
Total Revenues	6,386,685	9,430,577
Expenses:		
Program services	5,651,250	4,603,244
Depreciation	419,666	308,928
Total Expenses	6,070,916	4,912,172
Capital Contributions	--	247,212
Increase in Net Position	$ 315,769	$ 4,765,617

Governmental Activities. Governmental activities increased EFPD's net position by $315,769 in 2025. Key elements of this increase are as follows:

- Total revenues were $6,386,685, down 32.3% from the prior year. This is primarily due to decreased property taxes, from lower oil and gas production and less assessed valuation.
- Expenses totaled $6,070,916. This represents a 223.5% increase over the previous year, primarily due to increase program expenditures for payroll and benefits and pension expense.
- District placed into service a new engine and ladder that were in construction on the previous financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes:

Year Ended December 31, 2025	Final Budget	Actual
Beginning Fund Balance	$12,180,465	$ 12,180,465
Revenue	5,576,418	6,386,685
Expenditures	(5,316,789)	(5,253,703)
Other Financing Sources (Uses)	--	--
Ending Fund Balance	$12,440,094	$ 13,313,447

CAPITAL ASSET ADMINISTRATION

Capital Assets. EFPD's investment in capital assets for its governmental type activities as of December 31, 2025, totals $6,264,323 (net of accumulated depreciation). This investment includes all land, buildings, equipment, and vehicles. The primary capital activity of 2025 included capital outlay for equipment and the apparatus being placed into service.

The District implemented the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated. Additional information on the District's capital assets can be found in Note 2 of this report.

OTHER MATTERS

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2026 budget:

- The assessed valuation of property in the District increased for 2026, resulting in a property taxes expected of approximately $6.2 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of EFPD's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 50 South Maple, Eaton, Colorado 80615.

EATON FIRE PROTECTION DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2025	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and Investments	$ 13,486,587	$ -	$ 13,486,587
Property Taxes Receivable	6,202,212	-	6,202,212
Capital Assets:			
Land	-	554,712	554,712
Buildings and Improvements, net	-	2,429,268	2,429,268
Equipment and Vehicles, net	-	3,280,343	3,280,343
Net Pension Asset	-	-	-
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plans	-	1,082,818	1,082,818
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 19,688,799	$ 7,347,141	$ 27,035,940
LIABILITIES			
Accounts Payable	19,571	-	19,571
Accrued Expenses	153,569	133,934	287,503
Lease Purchase Agreement	-	1,432,448	1,432,448
Net Pension Liability	-	774,651	774,651
Total Liabilities	173,140	2,341,033	2,514,173
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	6,202,212	-	6,202,212
Pension Plans	-	59,447	59,447
FUND BALANCE/NET POSITION			
Fund Balances:			
Restricted for TABOR emergencies	191,601	(191,601)	-
Unassigned	13,121,846	(13,121,846)	-
Total Fund Balance	13,313,447	(13,313,447)	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	$ 19,688,799		
Net Position:			
Net investment in capital assets		4,831,875	4,831,875
Restricted for emergencies		191,601	191,601
Unrestricted		13,236,632	13,236,632
		$ 18,260,108	$ 18,260,108

See Accompanying Notes to Financial Statements.

EATON FIRE PROTECTION DISTRICT

STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

Year Ended December 31, 2025	General Fund	Adjustments	Statement of Activities
Revenue:			
General property taxes	$ 5,487,212	$ -	$ 5,487,212
Specific ownership taxes	230,022	-	230,022
Interest earnings	590,088	-	590,088
Other revenue and grants	79,363	-	79,363
Total Revenue	6,386,685	-	6,386,685
Expenditures:			
Firefighting	4,338,275	499,509	4,837,784
Administration	371,872	-	371,872
Maintenance	148,343	-	148,343
Capital outlay	152,209	(152,209)	-
Debt Service:			
Principal	171,001	(171,001)	-
Interest	72,003		72,003
Depreciation	-	419,666	419,666
Loss on disposal of capital assets	-	221,248	221,248
Total Expenditures	5,253,703	817,213	6,070,916
Revenue Over Expenditures/ Change in Net Position	1,132,982	(817,213)	315,769
Fund Balance/Net Position, January 1	12,180,465	5,763,874	17,944,339
Fund Balance/Net Position, End of Year	$ 13,313,447	$ 4,946,661	$ 18,260,108

See Accompanying Notes to Financial Statements.

EATON FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2025	Actual	Original and Final Budget	Variance
Revenue:			
General Property Taxes	$ 5,487,212	$ 5,076,418	$ 410,794
Specific Ownership Taxes	230,022	200,000	30,022
Interest Earnings	590,088	300,000	290,088
Other Revenue and Grants	79,363	-	79,363
Total Revenue	6,386,685	5,576,418	810,267
Expenditures:			
Firefighting:			
Payroll and Benefits	3,954,624	3,889,188	(65,436)
Apparatus Equipment	41,218	76,580	35,362
Building Expenses	38,419	53,350	14,931
Fuel	44,963	64,200	19,237
Medical Supplies	20,365	27,400	7,035
Computers & Office Supplies	5,215	26,500	21,285
Personal Protective Equipment	40,891	48,650	7,759
Station Supplies	44,207	75,950	31,743
Training	34,387	70,075	35,688
Uniforms	21,601	26,600	4,999
Volunteer Firefighter's Pension Contribution	92,385	92,385	-
Total Firefighting	4,338,275	4,450,878	112,603
Administration:			
Dues and Subscriptions	30,123	40,865	10,742
Annual Banquet	11,090	17,500	6,410
Insurance	46,174	53,000	6,826
Professional Fees	206,622	190,642	(15,980)
Treasurer Fees	76,131	100,000	23,869
Miscellaneous	1,732	80,500	78,768
Total Administration	371,872	482,507	110,635

EATON FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2025	Actual	Original and Final Budget	Variance
Maintenance			
Apparatus Maintenance	$ 127,929	$ 98,730	$ (29,199)
Small Equipment Maintenance	-	-	-
Grounds Maintenance	20,414	32,800	12,386
Total Maintenance	148,343	131,530	(16,813)
Capital Outlay	152,209	8,870	(143,339)
Debt Service:			
Principal	171,001	163,652	(7,349)
Interest	72,003	79,352	7,349
Total Debt Service	243,004	243,004	-
Total Expenditures	5,253,703	5,316,789	63,086
Revenue Over Expenditures	1,132,982	259,629	873,353
Fund Balance, January 1, 2025	12,180,465	12,180,465	-
Fund Balance, December 31, 2025	$ 13,313,447	$ 12,440,094	$ 873,353

See Accompanying Notes to Financial Statements.

EATON FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Eaton Fire Protection District (the District) conform to generally accepted accounting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Reporting Entity:

The financial report of the District includes all of the integral parts of the District's operations. The District has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

Government-wide and Fund Financial Statements:

The District reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

Separate financial statements are provided for the government fund. 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 a 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 collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Proceeds of long-term debt and acquisitions under financed purchases are reported as other financing sources.

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued:

Property taxes and interest associated with the current year 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.

The District reports the following major governmental fund:

The G*eneral Fund* is the District's primary operating fund. It accounts for all financial resources of the District.

Capital Assets:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Acquisitions of capital assets are recorded as capital outlay expenditures within the governmental funds. Depreciation has been provided on capital assets, using straight line methods over the useful lives of the assets (buildings 50 years, trucks 20 years, and equipment 5 years). The District's capitalization level is $5,000.

Property Taxes:

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the same year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The District uses the Weld County Treasurer to bill and collect its property taxes. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible. Taxes levied in December 2025 are recorded as taxes receivable and deferred inflows as of December 31, 2025.

The original January 1, 2025 levy for the General Fund of the District was 9.000 mills or approximately $5,076,418. No funds were designated for pension contributions to FPPA in 2025.

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Leases:

As of January 1, 2022, the beginning of the period of adoption, the District has implemented the provisions of GASB 87, *Leases*. The District determines if an arrangement is a lease at inception. For individual lease contracts where information about the discount rate implicit in the lease is not included, an incremental borrowing rate will be used, which represents the rate at which it could borrow funds for a term equivalent to the lease agreements, to calculate the present value of expected lease payments. The lease term includes the non-cancellable period of the lease. The lease term may include options to extend or terminate the leases which it is reasonably certain that the option will be exercised.

As lessee for a financed purchase lease where a contract transfers ownership of the underlying asset to the District by the end of the contract, and does not contain termination options but may contain a fiscal funding or cancellation clause that is not reasonably certain of being exercised it is reported as a financed purchase of the underlying asset by the District.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets if certain changes occur that are expected to significantly affect the amount of the lease asset.

Estimates and judgements related to leases include how the District determines the discount rate, lease terms, and lease receipts.

Budget:

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with generally accepted accounting principles for all funds. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Board is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board through a supplemental appropriation resolution. There were no supplemental appropriations in 2025.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by law or outside parties for use for specific purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at December 31, 2025 are $191,601.

Restricted for Debt Service:

These restrictions are established to comply with the provisions for debt service reserves.

Assigned fund balances, if any, are amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has one item that qualifies for reporting in this category: changes in the net pension asset not included in pension expense reported in the government-wide statement of net position.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Deferred Outflows and Inflows of Resources – Continued:

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: changes in the net pension asset not included in pension expense reported in the government-wide statement of net position, and deferred property taxes.

Investment Risks:

The pension board shall have complete control and authority to invest the funds of the Plan. Funds of the Plan shall be managed and invested by the pension board of the District in accordance with the prudent investor rule and the other standards and provisions for trustees set forth in the "Colorado Uniform Prudent Investor Act". The District has affiliated with the Fire and Police Pension Association (FPPA) of Colorado to administer the Plan.

Compensated Absences:

In 2024, Eaton Fire Protection District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes standards for recognizing and measuring liabilities and expenses related to compensated absences, including vacation leave, sick leave, and other paid time off.

Some employees receive annual leave which may accumulate to varying levels. Unused vacation is paid upon termination, up to 120 hours for line staff and up to 300 hours for contract employees. Sick leave does not vest, there isn't a limit to the amount that can be accrued and is not paid out upon termination.

GASB 101 requires the recognition of a liability for compensated absences that are attributable to services already rendered, based on established policies and applicable laws. The liability is measured using the pay or salary rates in effect at the financial reporting date. Liabilities are recognized only for compensated absences that are expected to result in payments to employees (e.g., cash payouts, leave used during employment, or other settlements).

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Pensions:

The District contributes to the Statewide Retirement Plan (SWRP), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments at FPPA are reported at fair value.

The District participates in an agent defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (FPPA). The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Reclassifications:

The capital asset note beginning balance has been reclassified to include the Deposit on Apparatus and Equipment balance at December 31, 2024 for reflection of current year activity of transferring the deposit balance into equipment.

Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the auditor’s report.

NOTE 2 - Capital Assets:

	Balance, 1/1/25	Additions	Transfer	Deletions	Balance, 12/31/25
Land	$ 554,712	$ --	$ --	$ --	$ 554,712
Buildings and Improvements	3,874,735	--	--	--	3,874,735
Equipment and Vehicles	3,885,168	72,209	2,593,720	(769,937)	5,781,160
Deposit on Apparatus and Equipment	2,513,720	80,000	(2,593,720)	--	--
Total Capital Assets	10,828,335	152,209	--	(769,937)	10,210,607
Less Accumulated Depreciation:					
Building and Improvements	1,346,523	98,944	--	--	1,445,467
Equipment and Vehicles	2,728,784	320,722	--	(548,689)	2,500,817
Total Accumulated Depreciation	4,075,307	419,666	--	(548,689)	3,946,284
Capital Assets, net	$6,753,028	$ (267,457)	$ --	($221,248)	$ 6,264,323

NOTE 3 - Cash and Investments:

The District's bank accounts at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school district, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

At December 31, 2025, the District held $13,330,428 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00 per share. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. COLOTRUST is rated AAAm by Standard & Poor’s. The District’s investment is measured at NAV.

NOTE 3 - Cash and Investments - Continued:

COLOTRUST PLUS+ portfolios may invest in U.S. Treasury securities, certain approved obligations of agencies of the U.S. government, commercial paper rated in the highest category, corporate securities rated at lease AA-/Aa3, certain money market funds registered as an investment compony under the Federal Investment Company Act of 1940 and written repurchase agreements collateralized by U.S. Treasury securities or certain approved obligations of U.S. government agencies. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. The dollar weighted average days to maturity (WAM) of COLOTRUST PLUS+ at December 31, was 41 days and the weighted average life (WAL) was 81 days.

NOTE 4 – Volunteer Pension Plan:

The District's defined benefit pension plan for volunteers provides retirement and disability benefits and death benefits to plan members and beneficiaries. The plan is affiliated with the Fire and Police Member's Benefit Fund, an agent multiple-employer pension plan administered by the Fire and Police Pension Association (FPPA) of Colorado. Title 31, Article 30 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plans that participate in FPPA to the respective member entities. FPPA issues a publicly available financial report that includes financial statements and required supplementary information for the Fire and Police Member's Benefit Fund. That report may be obtained by writing to FPPA, 5290 DTC Parkway, Englewood, Colorado 80111, or by calling 1-800-332-FPPA.

Contribution requirements of the District are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Districts are allowed to levy up to a 1.000 mil property tax to provide pension contributions and may also contribute other revenues. Contributions to the plan for the year ended December 31, 2025 included $23,475 from State of Colorado matching and $92,385 of contributions by the District.

At December 31, 2025 pension plan membership consisted of 0 active members and 20 retired members and 5 inactive members.

At December 31, 2025, EFPD reported a liability of $774,651 for its net pension liability of the volunteer plan. The net pension liability was measured as of 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.

NOTE 4 – Volunteer Pension Plan- Continued:

For the year ended December 31, 2025, EFPD recognized pension expense of $363,574. At December 31, 2025, EFPD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ --	$ --
Net difference between projected and actual earnings on pension plan investments	107,391	45,813
Changes in assumptions	--	--
Contributions subsequent to the measurement date	92,385	--
Total	$ 199,776	$ 45,813

Deferred outflows of resources related to pensions of $92,385, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending 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 Ending December 31	Amount
2026	$ 21,232
2027	45,155
2028	(6,053)
2029	1,244
2030	--
	$ 61,578

NOTE 4 – Volunteer Pension Plan – Continued:

Changes in Net Pension Liability: Collective changes consists of the following.

Collective Change in Net Pension Liability	Year Ending December 31, 2025
Total Pension Liability:	
Interest on the Total Pension liability	$ 129,649
Difference between expected and actual experience of the Total Pension Liability	(33,604)
Changes of assumptions	484,840
Benefit Payments	(183,120)
Net Change in total Pension liability	397,765
Total pension liability - beginning	1,942,143
Total pension liability - ending	2,339,908
Plan fiduciary net position:	
IRC 414 (H) (2) Employer-paid Member Contributions	92,385
Projected Earnings on Plan Investments	99,066
Benefit payments	(183,120)
Pension Plan Administrative Expense	(7,391)
Other Changes in Plan Fiduciary Net position	23,475
Net change in plan fiduciary net position	24,415
Plan fiduciary net position - beginning	1,540,842
Plan fiduciary net position - ending	1,565,257
Net pension liability	$ 774,651

Actuarial assumptions: The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.5 percent
Retirement age	50% per year of eligibility until 100% at age 65
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.0 percent

Mortality rates were based on the MP-2020 Combined Mortality Tables for Blue Collar Employees, projected with Scale BB, 60% multiplier for off-duty mortality.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2020 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions.

NOTE 4 – Volunteer Pension Plan- Continued:

The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

The Plan's 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 return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, the target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Liquidity	30%	4.2%
Fixed Income – Rates	45%	5.0%
Fixed Income – Credit	15%	6.5%
Diversifiers	0%	5.7%
Long Sort	0%	6.2%
Global Public Equity	10%	7.0%
Private Markets	0%	8.8%
Total	100%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 4.5 percent.

Discount rate: The discount rate used to measure the total pension liability was 4.5 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at the actuarially recommended rates.

NOTE 4 – Volunteer Pension Plan – Continued:

Sensitivity of the EFPD net pension (asset) liability to changes in the discount rate: The following presents the net pension asset calculated using the discount rate of 4.5 percent, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (3.5 percent) or 1-percentage-point higher (5.5 percent) than the current rate:

December 31, 2025	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
Net pension (asset) liability	$ 1,043,379	$ 774,651	$ 554,091

NOTE 5 – Statewide Retirement Plan:

The District participates in the Statewide Retirement Plan (SWRP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (FPPA). The net pension asset, 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 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.

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

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

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

NOTE 5 – Statewide Retirement Plan - Continued:

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 ten 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.

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.

NOTE 5 – Statewide Retirement Plan - Continued:

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 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 is 14.24 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions 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.

NOTE 5 – Statewide Retirement Plan - Continued:

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.

Employer contributions are recognized by the SWRP Plan in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SWRP Plan. Employer contributions recognized by the SWRP Plan from the District were $197,782 for the year ended December 31, 2025.

At December 31, 2025, the District reported a liability of $0 for its proportionate share of the net pension liability. The net pension liability 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, 2025. The District proportion of the net pension asset was based on District contributions to the SWRP for the calendar year 2023 relative to the total contributions of participating employers to the SWRP Plan.

At December 31, 2025, the District proportion was .2 percent, which is approximately the same as its proportion measured as of December 31, 2024.

Actuarial Valuation Dates: The collective total pension liability as of December 31, 2025 is based upon the January 1, 2025 actuarial valuation. The actuarially determined contributions as of December 31, 2025 are based upon the January 1, 2025 actuarial valuation.

For the year ended December 31, 2025, the District recognized pension expense of $136,147. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 435,875	$ 13,634
Net difference between projected and actual earnings on pension plan investments	61,920	--
Changes in assumptions	155,996	--
Contributions subsequent to the measurement date	229,251	--
Total	$ 883,042	$ 13,634

NOTE 5 – Statewide Retirement Plan - Continued:

Deferred outflows of resources related to pensions of $229,251, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending 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 Ending December 31	Amount
2026	$ 178,271
2027	263,410
2028	18,631
2029	27,631
2030	60,727
Thereafter	91,487
	$ 640,157

Average Reaming Expected Service Life: The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 8.3 years determined as of the beginning of the December 31, 2024 measurement period.

Basis of Presentation: The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA.

As reported in FPPA's Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2024 Annual Report, employer contributions to the Statewide Retirement Plan were $109,033,068 compared to total employer contributions of $109,037,538 on the Schedule of Employer Contributions. Adjustments were made to annualize employer contributions related to employers newly contributing to the plan, including employer departments completing reentry, and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the Statewide Retirement Plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

NOTE 5 – Statewide Retirement Plan - Continued:

Collective Net Pension Liability/Asset: The components of the calculation of the net pension liability/(asset) of the Statewide Retirement Plan for participating departments as of December 31, 2024 are shown in the following table:

	Measurement Date December 31, 2024
Total Pension Liability (A)	$ 4,716,284,644
Plan Fiduciary Net Position (B)	4,716,284,644
Employers' Net Pension Liability/(Asset) (A-B)	-0-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A)	100.0%

Actuarial Assumptions: The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2025. The valuations used the following actuarial assumption 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% - 11.75%	4.25% - 11.75%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

NOTE 5 – 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 pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 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 & Company, 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:

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%**	

NOTE 5 – Statewide Retirement Plan - Continued:

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

As of the measurement period ending December 31, 2024, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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

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

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

1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
$885,162	$-0-	$-0-

NOTE 5 – Statewide Retirement Plan - Continued:

The net pension liability of $-0- reflects a reserve for cost of living adjustments and to manage adverse experience of $260,761 at a 7.00 percent discount rate and $1,209,690 at a 8.00 percent discount rate.

Pension plan fiduciary net position: Detailed information about the SWRP's fiduciary net position is available in FPPA's publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.FPPAco.org.

NOTE 6 - Contingencies:

In 1992, the Colorado voters approved the "Taxpayer's Bill of Rights" (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Included in the accompanying financial statements are emergency reserves of at least 3% of fiscal year spending.

In 2003, the electors of the District voted to supersede TABOR and to collect, retain, and expend the full proceeds of all taxes, fees, and other revenue without increasing or adding taxes of any kind, and to retain the existing mill levy of 6.48.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The District purchases commercial insurance for risks of loss in excess of deductible amounts and participates in the Colorado Compensation Insurance Authority. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 7 – Voluntary Investment Program:

Effective May 1, 2010, employees of the District who are members of the SWDB Plan (see Note 5) may voluntarily contribute to the Voluntary Investment Program ("457 Plan"), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. In 2025 The District matched an employees contributions up to $100 per pay period. Plan participation is optional, and contributions are separate from others made to FPPA. The 457 Plan is fully funded by voluntary member contributions of up to a maximum limit set by the IRS and District matching contributions For the years ended December 31, 2025 and 2024 contributions were $41,644 and $43,400, respectively.

NOTE 8 – Governmental Long-Term Debt:

A summary of the changes in debt for the year ended December 31, 2025, is as follows:

	Balance 1/1/25	Net Additions	Retirements	Balance 12/31/25	Due Within One Year
Lease Liabilities	$ 1,603,449	$ --	$ 171,001	$ 1,432,448	$ 178,679
Accrued Compensated Absences, net	134,146	--	212	133,934	--
Total	$ 1,737,595	$ --	$ 171,213	$ 1,566,382	$ 178,679

A summary of the District's long term debt as of December 31, 2025 are as follows:

December 31	2025
On November 1, 2022, lease purchase agreement with the Tax-Exempt Leasing Corp., due in annual installments of $243,004 principal and interest payments through November 2032. Interest accrues at 4.49% per annum. The lease is used to finance the construction of an Aerial & Fire Engine.	$ 1,432,448
Total Long-Term Debt	$ 1,432,448

The annual requirements to amortize all debt outstanding as of December 31, 2025 are as follows:

Year Ending December 31	Principal	Interest	Total
2026	$ 178,679	$ 64,325	$ 243,004
2027	186,703	56,301	243,004
2028	195,087	47,917	243,004
2029	203,848	39,156	243,004
2030	213,002	30,003	243,005
2031-2032	455,129	30,881	486,010
Totals	$1,432,448	$268,583	$1,701,031

NOTE 9 – Reconciliation Between General Fund Balance Sheet and the Statement of Net Position:

Amounts reported in the statement of net position are different because: December 31, 2025	
Fund balance of General Fund	$ 13,313,447
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	6,264,323
Compensated absences and accrued sick time	(133,934)
Net pension liability	(774,651)
Deferred inflows and outflows for pensions	1,023,371
Lease liabilities	(1,432,448)
Total Net Position	$ 18,260,108

NOTE 10 – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the General Fund to the Statement of Activities:

Year Ended December 31, 2025	
Net change in fund balance – General Fund	$ 1,132,982
Amounts reported for *governmental activities* in the statement of activities are different because:	
The General Fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay, deposits on equipment and capital contributions exceeded depreciation net of disposals during the current year.	(488,705)
The increase in accrued compensated absences is reflected as reduced expense on the statement of activities and not reflected as an expenditure on the statement of revenues, expenditures and changes in fund balances	212
The General Fund reports District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense.	(499,721)
Prepayment of principal is an expenditure in the fund, but it reduces long-term debit in the statement of net position and does not affect the statement of activities.	171,001
Change in Net Position of Governmental Activities	$ 315,769

EATON FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions - Volunteer Plan

Year Ended December 31	Actuarially Required Contributions	Contributions Made	Contribution Deficiency (Excess)
2025	$ 77,365	$ 92,385	(15,020)
2024	77,365	92,385	(15,020)
2023	92,385	92,385	-
2022	92,385	92,385	-
2021	106,099	106,099	-
2020	106,099	106,099	-
2019	64,459	195,333	(130,874)
2018	64,459	163,312	(98,853)
2017	6,618	149,435	(142,817)
2016	6,618	166,896	(160,278)

Methods and Assumptions Used:

Actuarial cost method: Entry age
Amortization method: Level dollar-open
Remaining amortization period: 20 years
Asset valuation method: 5 year
smoothed fair value
Inflation: 2.5%
Benefit increase: None
Investment return: 7.0%

EATON FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Asset - Volunteer Plan

Measurement Date December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Annual Service Cost	$ -	$ -	$ 17,657	$ 17,657	$ 21,689	$ 21,689	$ 35,880	$ 35,880	$ 26,151	$ 26,151
Interest on the Total Pension Liability	129,649	133,606	140,961	144,352	151,896	155,293	121,038	123,692	76,963	79,067
Benefit Changes	-	-	-	-	-	-	576,341		543,010	
Difference between expected experience and actual	(33,604)		(58,601)	-	(61,413)	-	22,256	-	68,173	
Change of Assumptions	484,840	-	6,613	-	-	-	83,052	-	65,510	
Benefit Payments	(183,120)	(196,920)	(208,920)	(211,920)	(223,800)	(227,160)	(226,560)	(164,483)	(158,670)	(108,780)
Total Pension Liability - Beginning	1,942,143	2,005,457	2,107,747	2,157,658	2,269,286	2,319,464	1,707,457	1,712,368	1,091,231	1,094,793
Total Pension Liability - Ending	$ 2,339,908	$ 1,942,143	$ 2,005,457	$ 2,107,747	$ 2,157,658	$ 2,269,286	$ 2,319,464	$ 1,707,457	$ 1,712,368	$ 1,091,231
Plan Fiduciary Net Position:										
Contributions - District	$ 92,385	$ 92,385	$ 92,385	$ 212,198	$ -	$ 148,383	$ 163,312	$ 125,960	$ 143,421	$ 103,603
Net Investment Income	99,066	137,929	(138,217)	223,805	172,118	189,295	1,734	180,502	62,597	21,208
Administrative Costs	(7,391)	(9,950)	(6,966)	(8,302)	(7,887)	(9,826)	(9,250)	(13,112)	(2,141)	(4,187)
State of Colorado Supplemental discretionary payment	23,475	23,475	23,475	46,950	-	46,950	-	23,475	23,475	23,475
Benefit Payments	(183,120)	(196,920)	(208,920)	(211,920)	(223,800)	(227,160)	(226,560)	(164,483)	(158,670)	(108,780)
Net Change	24,415	46,919	(238,243)	262,731	(59,569)	147,642	(70,764)	152,342	68,682	35,319
Plan Fiduciary Net Position - Beginning	1,540,842	1,493,923	1,732,166	1,469,435	1,529,004	1,381,362	1,452,126	1,299,784	1,231,102	1,195,783
Plan Fiduciary Net Position - Ending	$ 1,565,257	$ 1,540,842	$ 1,493,923	$ 1,732,166	$ 1,469,435	$ 1,529,004	$ 1,381,362	$ 1,452,126	$ 1,299,784	$ 1,231,102
District Net Pension Liability (Asset)	$ 774,651	$ 401,301	$ 511,534	$ 375,581	$ 688,223	$ 740,282	$ 938,102	$ 255,331	$ 412,584	$ (139,871)
Percentage of Net Pension Asset	66.89%	79.34%	74.49%	82.18%	68.10%	67.38%	59.56%	85.05%	75.91%	112.82%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

EATON FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) - STATEWIDE RETIREMENT PLAN

Measurement period Ended December 31	Cumulative Proportion of Net Pension Asset	Cumulative Proportionate Share (Liability) Asset	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Total Pension Liability
2024	0.2%	$ -	$ 2,089,870	0.0%	100.0%
2023	0.2%	-	1,826,411	0.0%	100.0%
2022	0.2%	(150,894)	1,332,913	-11.3%	97.6%

Information for proportionate share of Net Pension Asset/Liability for 10 years is not available as the Statewide Retirement Plan was created as of January 1, 2023. Additional years will be reported as they become available.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) - STATEWIDE DEFINED BENEFIT PLAN

Measurement period Ended December 31	Cumulative Proportion of Net Pension Asset	Cumulative Proportionate Share (Liability) Asset	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Total Pension Liability
2021	0.2%	844,550	1,196,313	70.6%	116.2%
2020	0.1%	323,349	1,061,163	30.5%	106.7%
2019	0.1%	84,893	1,097,565	7.7%	101.9%
2018	0.1%	159,878	860,489	18.6%	95.2%
2017	0.1%	(185,188)	754,967	24.5%	106.3%
2016	0.1%	47,397	683,260	6.9%	98.2%
2015	0.1%	(1,987)	554,862	0.4%	100.1%

Information for proportionate share of Net Pension Asset/Liability for 10 years is not available as the plan was combined with the Statewide Hybrid Plan to form the Statewide Retirement Plan as of January 1, 2023.

EATON FIRE PROTECTION DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS - STATEWIDE RETIREMENT PLAN

Year Ended December 31	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2025	$ 229,251	$ 229,251	$ 2,183,343	10.5%
2024	208,987	208,987	2,089,870	10.0%
2023	173,509	173,509	1,826,411	9.5%

Information for employer's contributions for 10 years is not available as the Statewide Retirement Plan was created as of January 1, 2023. Additional years will be reported as they become available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - STATEWIDE DEFINED BENEFIT PLAN

Year Ended December 31	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2022	135,308	135,308	1,503,422	9.0%
2021	106,633	106,633	1,332,913	8.5%
2020	95,705	95,705	1,196,313	8.0%
2019	84,893	84,893	1,061,163	8.0%
2018	87,805	87,805	1,097,565	8.0%
2017	68,839	68,839	860,489	8.0%
2016	60,398	60,398	754,967	8.0%

Information for employer's contributions for 10 years is not available as the plan was combined with the Statewide Hybrid Plan to form the Statewide Retirement Plan as of January 1, 2023.