

ELIZABETH FIRE PROTECTION DISTRICT
Elbert County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2025

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements	
Statement of Net Position – Governmental Activities	10
Statement of Activities – Governmental Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	15
Notes to Financial Statements	16
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net Pension Liability – Volunteer Firefighter Pension Plan	39
Schedule of District and State Contributions – Volunteer Firefighter Pension Plan	40
Schedule of the Net Pension Liability – Volunteer Firefighter Pension Plan	41
Schedule of the Proportionate Share of the Net Pension (Asset)/Liability – Fire and Police Pension Association – Statewide Retirement Plan	42
Schedule of District Contributions – Fire and Police Pension Association – Statewide Retirement Plan	43
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Capital Mill Levy Capital Projects Fund	44
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Impact Fees Capital Projects Fund	45
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Infrastructure Fee Capital Projects Fund	46
OTHER INFORMATION	
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	47



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Independent Auditor's Report

Board of Directors
Elizabeth Fire Protection District
Elbert County, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibility of Management 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 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 Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9, the Schedule of Changes in the Net Pension Liability – Volunteer Firefighter Pension on page 39, the Schedule of District and State Contributions – Volunteer Firefighter Pension on page 40, the Schedule of the Net Pension Liability – Volunteer Firefighter Pension on page 41, the Schedule of Proportionate Share of the Net Pension (Asset)/Liability – Fire and Police Pension Association – Statewide Retirement Plan on page 42, and the Schedule of District Contributions – Fire and Police Pension Association – Statewide Retirement Plan on page 43, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting

Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
May 12, 2026

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

Our discussion and analysis of Elizabeth Fire Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the District's basic financial statements which begin on page 1.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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 the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them 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 government'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 (i.e. uncollected taxes and earned but unused vacation leave.)

The government-wide financial statements detail functions of the District that are principally supported by tax revenues (governmental activities) and charges for services. The governmental activity of the District is public safety - fire.

The government-wide financial statements can be found on pages 10 and 11 of this report.

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. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District reports four governmental funds.

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.

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds financial statements can be found on pages 12 through 14 of this report.

The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is located on page 15 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 16-38 of this report.

Supplementary and Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information consisting of the Schedule of Changes in the Net Pension Liability – Volunteer Firefighter Pension on page 39, the Schedule of District and State Contributions – Volunteer Firefighter Pension on page 40, and the Schedule of the Net Pension Liability – Volunteer Firefighter Pension on page 41, the Schedule of Proportionate Share of the Net Pension (Asset)/Liability – Fire and Police Pension Association – Statewide Retirement Plan on page 42, and the Schedule of District Contributions – Fire and Police Pension Association – Statewide Retirement Plan on page 43 of this report. Supplementary information consisting of budgetary comparison schedules for the Capital Mill Levy Capital Projects Fund, Impact Fees Capital Projects Fund, and Infrastructure Fee Capital Projects Fund are located on pages 44-46 of this report. Other information also accompanies these financial statements consisting of the summary of assessed valuation, mill levy and property taxes collected, which can be found on page 47.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,884,327 at the close of the most recent fiscal year. A large portion of the District's net position reflects its investment in capital assets (e.g. land, buildings and improvements, cisterns, equipment and vehicles) less any related debt used to acquire those assets which 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 its 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.

As noted in the table below, for 2025, the District's total assets increased by \$2,852,581. Current assets increased by \$1,129,963 due primarily to an increase property taxes receivable as a result of a 4.1% increase in the assessed valuation and an 1.790 increase in the District's mill levy for the property taxes to be collected in 2026. Additionally, there was an increase in cash and investments due to positive operating results. Capital assets increased by \$1,722,618, as the capital assets additions exceeded the depreciation of capital assets. Capital asset activity is described below in the Capital Asset and Debt Administration section of the management's discussion and analysis. Long-term liabilities increased due to the District entering into two leases during 2025 for the purchase of apparatus. Additional information on the long-term liability activity (excluding pensions) is described below in the Capital Asset and Debt Administration section of

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

the management's discussion and analysis. The net position restricted for the TABOR emergency reserve requirement was \$188,400, a \$16,400 decrease from 2024. Restricted net position for capital improvements was \$813,380, an increase of \$98,034 from 2024. Unrestricted net position increased by \$445,372, resulting in an unrestricted net position of \$3,772,384 as of December 31, 2025.

NET POSITION

	December 31,	
	2025	2024
ASSETS		
Current assets	\$ 9,447,161	\$ 8,317,198
Capital assets	5,007,188	3,284,570
Total assets	<u>14,454,349</u>	<u>11,601,768</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,360,357</u>	<u>1,295,819</u>
LIABILITIES		
Current liabilities	110,048	171,492
Long-term liabilities	<u>2,670,974</u>	<u>1,255,120</u>
Total liabilities	<u>2,781,022</u>	<u>1,426,612</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,149,357</u>	<u>4,381,972</u>
NET POSITION		
Net investment in capital assets	3,110,163	2,841,845
Restricted for emergencies	188,400	204,800
Restricted for capital improvements	813,380	715,346
Unrestricted	<u>3,772,384</u>	<u>3,327,012</u>
Total net position	<u><u>\$ 7,884,327</u></u>	<u><u>\$ 7,089,003</u></u>

As noted in the table below, the District's overall financial position, as measured by net position, increased by \$795,324. Charges for services increased by \$59,407 due to higher EMS billings during 2025 as there were more billable EMS runs. Operating grants and contributions increased during 2025 by a total of \$156,781 due to higher Colorado Medicaid EMT reimbursements than in 2024 as well as higher developer contributions than 2024. Capital grants and contributions decreased by \$280,431 for 2025 due to the District being awarded less grant funding in 2025 for capital purposes. Property tax revenue decreased by \$518,608 due to the District receiving significant backfill funding from the State of Colorado in 2024, which did not occur in 2025. Specific ownership taxes decreased by \$21,383 due to decreased automobile ownership taxes collected by the county and allocated to the District. Public safety expenses increased by \$1,131,179 due to higher wages and benefits and that the District had a combined net pension expense of \$138,818 for the Volunteer Firefighter and FPPA Statewide Retirement Pension Plans in 2025, where the District recognized a net pension income of \$694,901 from the District's Volunteer Firefighter and the FPPA Statewide Retirement Pension Plans in 2024, a net change of \$833,719. Interest and fiscal charges increased by \$45,621 due to the District entering into two significant leases for firefighting apparatus in 2025.

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

CHANGES IN NET POSITION

	Years Ended December 31,	
	2025	2024
REVENUES		
Program revenues:		
Charges for services	\$ 622,185	\$ 562,778
Operating grants and contributions	544,734	387,953
Capital grants and contributions	70,056	350,487
General revenues:		
Property taxes	4,246,386	4,764,994
Specific ownership taxes	567,414	588,797
Investment earnings	189,641	191,703
Other	37,315	56,761
Gain on sale of capital assets	-	6,650
Total revenues	<u>6,277,731</u>	<u>6,910,123</u>
EXPENSES		
Public safety - fire	5,414,053	4,282,874
Interest and fiscal charges	68,354	22,733
Total operating and debt service	<u>5,482,407</u>	<u>4,305,607</u>
CHANGE IN NET POSITION	<u>795,324</u>	<u>2,604,516</u>
NET POSITION - BEGINNING OF YEAR	<u>7,089,003</u>	<u>4,484,487</u>
NET POSITION - END OF YEAR	<u><u>\$ 7,884,327</u></u>	<u><u>\$ 7,089,003</u></u>

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's governmental fund follows.

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, unreserved 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 the end of the current fiscal year, the District's Governmental Funds reported an ending fund balance of \$4,258,263. Of this fund balance, \$1,101,203 is in non-spendable form or restricted. Additional information on these amounts can be found in Note 2 and Note 6 of the financial statements. The remaining fund balance of \$3,157,060 is unassigned.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Variances. For the year ended December 31, 2025, the District's General Fund budget was not amended.

The budget to actual comparison details for the General Fund can be seen on page 15 of the financial statements. District revenues and other financing sources were more than the budget by \$370,616. This was primarily due to certain grant revenues and developer contributions being

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

higher than was anticipated in the budget. Actual expenditures were under the budgeted amounts by \$45,887.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets as of December 31, 2025 amounted to \$5,007,188 (net of accumulated depreciation/amortization). The analysis of changes in capital assets is as follows:

	CAPITAL ASSETS (net of depreciation)		
	2024	Change	2025
Land and water rights	\$ 250,200	\$ -	\$ 250,200
Capital assets in process	14,896	1,651,563	1,666,459
Buildings and improvements	1,203,317	175,466	1,378,783
Cisterns	43,274	(7,934)	35,340
Equipment	456,053	(79,242)	376,811
Vehicles	433,511	47,735	481,246
Leased vehicles	883,319	(64,970)	818,349
Total	<u>\$ 3,284,570</u>	<u>\$ 1,722,618</u>	<u>\$ 5,007,188</u>

During 2025, the District entered into leases for the purchase of a BME Type 3 Engine for \$611,939 and a Pierce Pumper for \$1,039,624. Additionally, the District made alerting system improvements at three fire stations for a combined \$157,238, replaced the asphalt pad at one fire station for \$80,000, replaced the furnace at one fire station for \$18,174, purchased a Chevrolet Silverado 2500 for \$83,343 to be used as a Battalion Chief vehicle, and replaced the motor in one of the fire engines for \$57,325.

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-Term Obligations. At the end of the current fiscal year, the District had total outstanding long-term obligations of \$2,154,138, comprised of leases for the acquisition of capital assets and compensated absences. The analysis of changes in leases and other long-term obligations is as follows:

	LONG-TERM OBLIGATIONS		
	2024	Change	2025
Vehicles Leases	\$ 442,725	\$ 1,454,300	\$ 1,897,025
Compensated absences	247,309	9,804	257,113
	<u>\$ 690,034</u>	<u>\$ 1,464,104</u>	<u>\$ 2,154,138</u>

During 2025, the District entered into new leases for the purchase of a BME Type 3 Engine and a Pierce Pumper as discussed above. Additionally, the District elected to pay off the 2023 Chevrolet Silverado and 2023 Chevrolet Tahoe leases ahead of schedule. The District made the scheduled payments on the remaining leases. Compensated absences increased due to more hours accumulated as of the end of 2025, when compared to 2024, as well as higher pay rates for the employees.

**ELIZABETH FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

Additional information on the District's long-term obligations can be found in Note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the property taxes levied for collection in 2026, the District's assessed valuation increased by 4.1% and the mill levy increased 1.790 mills, resulting in levied taxes of \$771,500 more than were levied for collection for 2025.

The voters of the District approved a ballot measure on November 6, 2018 to allow the District to adjust the District's mill levy to offset revenue reductions as a result of the adjusting residential assessment rate.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Elizabeth Fire Protection District, 155 W. Kiowa Avenue, P.O. Box 441 Elizabeth, Colorado 80107.

BASIC FINANCIAL STATEMENTS

ELIZABETH FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2025

ASSETS

Cash and investments (Note 3)	\$ 3,890,460
Due from County Treasurer	44,861
EMS receivable (Net of \$415,670 allowance for uncollectible)	263,166
Interest receivable	7,177
Grants receivable	4,488
Other receivable	14,981
Prepaid expenses	99,423
Property taxes receivable	5,122,605
Capital assets (Note 4):	
Not being depreciated	1,916,659
Being depreciated, net of accumulated depreciation	3,090,529
Total assets	<u>14,454,349</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to Volunteer Pension Plan (Note 9)	80,350
Deferred outflows related to FPPA Statewide Retirement Plan (Note 10)	1,280,007
Total deferred outflows of resources	<u>1,360,357</u>

LIABILITIES

Accounts payable and accrued payroll liabilities	51,801
Accrued interest payable	58,247
Net Volunteer Pension Plan liability (Note 9)	516,836
Noncurrent liabilities (Note 5):	
Due within one year:	
Compensated absences	257,113
Leases	314,804
Due in more than one year - leases	1,582,221
Total liabilities	<u>2,781,022</u>

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	5,122,605
Deferred grant revenue	14,492
Deferred inflows related to FPPA Statewide Retirement Plan (Note 10)	12,260
Total deferred inflows of resources	<u>5,149,357</u>

NET POSITION (Note 7)

Net investment in capital assets	3,110,163
Restricted for emergencies	188,400
Restricted for capital improvements	813,380
Unrestricted	3,772,384
Total net position	<u>\$ 7,884,327</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELIZABETH FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Public safety - fire	\$ 5,414,053	\$ 622,185	\$ 544,734	\$ (4,177,078)
Interest and fiscal charges	68,354	-	-	(68,354)
	<u>\$ 5,482,407</u>	<u>\$ 622,185</u>	<u>\$ 544,734</u>	<u>(4,245,432)</u>
General revenues:				
Taxes:				
Property taxes - general operations				3,636,180
Property taxes - capital improvements				610,206
Specific ownership taxes				567,414
Investment earnings				189,641
Other				37,315
Total general revenues				<u>5,040,756</u>
Change in net position				795,324
Net position - Beginning of year				7,089,003
Net position - End of year				<u>\$ 7,884,327</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**ELIZABETH FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025**

	General Fund	Capital Mill Levy Capital Projects Fund	Impact Fees Capital Projects Fund	Infrastructure Fee Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments (Note 3)	\$ 3,077,082	\$ 598,654	\$ 131,948	\$ 82,776	\$ 3,890,460
Due from County Treasurer	44,859	2	-	-	44,861
Accounts receivable:					
EMS (Net of \$415,670 allowance for uncollectible)	263,166	-	-	-	263,166
Interest	7,177	-	-	-	7,177
Grants	4,488	-	-	-	4,488
Other	14,981	-	-	-	14,981
Prepaid expenditures	99,423	-	-	-	99,423
Property tax receivable	4,402,205	720,400	-	-	5,122,605
TOTAL ASSETS	<u>\$ 7,913,381</u>	<u>\$ 1,319,056</u>	<u>\$ 131,948</u>	<u>\$ 82,776</u>	<u>\$ 9,447,161</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued payroll liabilities	\$ 51,801	\$ -	\$ -	\$ -	\$ 51,801
TOTAL LIABILITIES	<u>51,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,801</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenues	4,402,205	720,400	-	-	5,122,605
Deferred grant revenue	14,492	-	-	-	14,492
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,416,697</u>	<u>720,400</u>	<u>-</u>	<u>-</u>	<u>5,137,097</u>
FUND BALANCES (Note 6)					
Nonspendable:					
Prepaid expenditures	99,423	-	-	-	99,423
Spendable:					
Restricted for emergencies	188,400	-	-	-	188,400
Restricted for capital improvements	-	598,656	131,948	82,776	813,380
Unassigned	3,157,060	-	-	-	3,157,060
TOTAL FUND BALANCES	<u>3,444,883</u>	<u>598,656</u>	<u>131,948</u>	<u>82,776</u>	<u>4,258,263</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,913,381</u>	<u>\$ 1,319,056</u>	<u>\$ 131,948</u>	<u>\$ 82,776</u>	

Amounts to reconcile the governmental fund balance sheet to the statement of net position are as follows:

Some assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.

Capital assets 5,007,188

Certain amounts related to the District's pension plans reported on the statement of net position are not reported in the governmental funds balance sheet.

Net Volunteer Pension Plan liability (Note 9) (516,836)

Deferred outflows related to Volunteer Pension Plan (Note 9) 80,350

Deferred outflows related to FPPA Statewide Retirement Plan (Note 10) 1,280,007

Deferred inflows related to FPPA Statewide Retirement Plan (Note 10) (12,260)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund statements.

Lease obligations (1,897,025)

Accrued interest on leases (58,247)

Compensated absences (257,113)

Net position of governmental activities \$ 7,884,327

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**ELIZABETH FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025**

	General Fund	Capital Mill Levy Capital Projects Fund	Impact Fees Capital Projects Fund	Infrastructure Fee Capital Projects Fund	Total Governmental Funds
REVENUES					
Property taxes:					
General operations	\$ 3,636,180	\$ -	\$ -	\$ -	\$ 3,636,180
Capital improvements	-	610,206	-	-	610,206
Specific ownership taxes	567,414	-	-	-	567,414
Ambulance transports (net of \$588,870 uncollectible)	600,154	-	-	-	600,154
Impact fees	-	-	61,626	-	61,626
Infrastructure fees	-	-	-	8,430	8,430
Permit fees and fines	19,641	-	-	-	19,641
Net investment income	154,180	28,743	3,481	3,237	189,641
Grants and reimbursements:					
Colorado Medicaid EMT reimbursement	253,209	-	-	-	253,209
Other Grants	32,629	-	-	-	32,629
Developer contributions	258,896	-	-	-	258,896
CPR income	2,390	-	-	-	2,390
Other	37,315	-	-	-	37,315
Total revenues	<u>5,562,008</u>	<u>638,949</u>	<u>65,107</u>	<u>11,667</u>	<u>6,277,731</u>
EXPENDITURES					
Administration	4,335,816	-	-	-	4,335,816
Professional services	210,116	18,330	-	-	228,446
Apparatus	61,012	-	-	-	61,012
Facilities	117,713	-	-	-	117,713
Equipment maintenance and testing	28,295	-	-	-	28,295
Fire prevention/investigations	19,208	-	-	-	19,208
Communications	22,639	-	-	-	22,639
Technology	82,196	-	-	-	82,196
Operations	180,562	-	-	-	180,562
Contribution to Volunteer Pension Plan	65,009	-	-	-	65,009
Debt service:					
Principal	-	197,263	-	-	197,263
Interest and other fiscal charges	-	21,433	-	-	21,433
Capital outlay:					
Buildings - capitalized	-	255,412	-	-	255,412
Vehicles - capitalized	57,326	1,734,905	-	-	1,792,231
Equipment - below capitalization threshold	12,384	41,909	-	-	54,293
Total expenditures	<u>5,192,276</u>	<u>2,269,252</u>	<u>-</u>	<u>-</u>	<u>7,461,528</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>369,732</u>	<u>(1,630,303)</u>	<u>65,107</u>	<u>11,667</u>	<u>(1,183,797)</u>
OTHER FINANCING SOURCES (USES)					
Lease proceeds	-	1,651,563	-	-	1,651,563
Total other financing sources (uses)	<u>-</u>	<u>1,651,563</u>	<u>-</u>	<u>-</u>	<u>1,651,563</u>
NET CHANGE IN FUND BALANCES	369,732	21,260	65,107	11,667	467,766
FUND BALANCES - BEGINNING OF YEAR	<u>3,075,151</u>	<u>577,396</u>	<u>66,841</u>	<u>71,109</u>	<u>3,790,497</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,444,883</u>	<u>\$ 598,656</u>	<u>\$ 131,948</u>	<u>\$ 82,776</u>	<u>\$ 4,258,263</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**ELIZABETH FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities is as follows:

Net change in fund balances - Total governmental funds	\$ 467,766
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	2,047,643
Depreciation	(325,025)
Some expenses reported in the governmental fund statements were made subsequent to the measurement date for the net pension asset calculation and will therefore be reported as expenses in a future period.	
Deferred outflows of resources:	
District Volunteer Pension Plan contributions subsequent to the measurement date	65,009
District Statewide Retirement Plan contributions subsequent to the measurement date	186,774
Issuance of long-term debt (e.g. leases) provides current financial resources to the governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on net position. This amount is the net effect of differences in the treatment of long-term debt and related items.	
Lease proceeds	(1,651,563)
Principal payments on leases	197,263
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.	
Change in accrued interest on leases	(46,921)
Net Volunteer Pension Plan income/(expense)	(36,584)
Net FPPA Statewide Pension Plan income/(expense)	(99,234)
Change in compensated absences	(9,804)
Change in net position - Governmental activities	<u><u>\$ 795,324</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELIZABETH FIRE PROTECTION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 3,725,892	\$ 3,636,180	\$ (89,712)
Specific ownership taxes	550,000	567,414	17,414
Ambulance transports, net of uncollectible	525,000	600,154	75,154
Permit fees and fines	10,000	19,641	9,641
Net investment income	90,000	154,180	64,180
Grants and reimbursements:			
Colorado Medicaid EMT reimbursement	155,000	253,209	98,209
Other Grants	-	32,629	32,629
Developer contributions	75,000	258,896	183,896
CPR income	2,000	2,390	390
Other	53,500	37,315	(16,185)
Total revenues	<u>5,186,392</u>	<u>5,562,008</u>	<u>375,616</u>
EXPENDITURES			
Administration	4,262,322	4,335,816	(73,494)
Professional services	223,277	210,116	13,161
Apparatus	85,000	61,012	23,988
Facilities	177,450	117,713	59,737
Equipment maintenance and testing	52,150	28,295	23,855
Fire prevention/investigations	32,900	19,208	13,692
Communications	27,480	22,639	4,841
Technology	72,025	82,196	(10,171)
Operations	230,550	180,562	49,988
Contribution to Volunteer Pension Plan	65,009	65,009	-
Capital outlay:			
Buildings, vehicles and equipment - capitalized	-	57,326	(57,326)
Equipment - below capitalization threshold	-	12,384	(12,384)
Contingency	10,000	-	10,000
Total expenditures	<u>5,238,163</u>	<u>5,192,276</u>	<u>45,887</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(51,771)</u>	<u>369,732</u>	<u>421,503</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	5,000	-	(5,000)
Total other financing sources (uses)	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
NET CHANGE IN FUND BALANCE	(46,771)	369,732	416,503
FUND BALANCE - BEGINNING OF YEAR	<u>2,945,110</u>	<u>3,075,151</u>	<u>130,041</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,898,339</u></u>	<u><u>\$ 3,444,883</u></u>	<u><u>\$ 546,544</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Elizabeth Fire Protection District (District), a quasi-municipal corporation and political subdivision of the State, is organized pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Elbert County, Colorado. The District was established to provide fire protection services, including emergency medical services, to the Town of Elizabeth and surrounding geographic areas in Elbert County.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District except for the fiduciary activities. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

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

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and emergency medical services fees. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The Capital Mill Levy Capital Projects Fund is the used to account for the revenue generated and the related expenditures of the voter approved mill levy which is restricted for use for capital improvements.

The Impact Fees Capital Projects Fund is used to account for the revenue generated and the related expenditures of the impact fees imposed by the District in accordance with Colorado Revised Statutes Section 29-20-104, which are restricted for certain capital improvements.

The Infrastructure Fee Capital Projects Fund is used to account for the revenue generated and the related expenditures of the infrastructure fees imposed by the District which are restricted for capital improvements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds a public hearing in the fall each year to receive and consider comments and objections to the proposed budget, after which the District Board approves the budget and appropriates the funds for the ensuing

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements in compliance with the State Budget Law. The budget includes each fund on its basis of accounting unless otherwise indicated.

For the year ended December 31, 2025, the District amended the budget and increased the appropriations for the Capital Mill Levy Capital Projects Fund.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 of the preceding year by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Accounts Receivable

Accounts receivable consist of uncollected emergency services fees and are shown net of an allowance for uncollectible accounts receivable. The allowance for uncollectible accounts receivable is estimated based on historical collections by the District. Actual collections may be different than the amounts estimated.

Capital Assets

Capital assets, which include buildings, improvements, equipment and vehicles 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at their acquisition value plus ancillary charges, if any. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings	10-50 years
Cisterns	30 years
Equipment	5-30 years
Vehicles	5-25 years

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Depreciation expense is charged to the public safety – fire function in the statement of activities.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB 68* (GASB 71).

In addition to liabilities, the statement of net position and fund 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 assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. Grant revenues which have not been earned are recorded as deferred inflows. The property tax revenue and grant revenues are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Additionally, the District has recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB 68* (GASB 71).

Compensated Absences

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

Fund Balances – Governmental Funds

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

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

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

Unassigned fund balance—amounts that are available for any purpose.

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

As of December 31, 2025, cash and investments consist of the following:

Cash on hand	\$ 100
Deposits with financial institutions	77,894
Investments	3,812,466
Total cash and investments	<u>\$ 3,890,460</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2025, the District's cash deposits had a bank balance of \$180,034 and a carrying balance of \$77,894.

Investments

Credit Risk

The District has not adopted a formal investment policy, however, the District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement.

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

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Amount</u>
Colorado Statewide Investment Pool (CSIP) – Liquid Portfolio	Weighted average under 60 days	\$2,776,052
Colorado Statewide Investment Pool (CSIP) – Term Portfolio	Weighted average under 60 days	1,028,069
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	8,345
		<u>\$3,812,466</u>

CSIP

As of December 31, 2025, the District has invested in the Colorado Statewide Investment Pool (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing CSIP. CSIP operates similarly to a money market fund. CSIP offers two portfolios, the Liquid Portfolio and the Term Portfolio. Both the Liquid and Term Portfolios primarily invest in obligations of the U.S. government and its agencies and instrumentalities, repurchase agreements involving obligations of the U.S. government and its agencies and instrumentalities, bank and savings accounts, commercial paper, negotiable certificates of deposit, floating-rate and variable-rate obligations, municipal obligations, money market mutual funds, municipal obligations and any investments authorized under Section 24-75-601 et. seq. of the Colorado Revised Statutes. The Liquid Portfolio is rated AAAM by Standard and Poor's and the Term Portfolio is rated AAAF by Fitch Ratings. The CSIP calculates the net asset value as of the conclusion of each business day. The net asset value is calculated on an amortized cost basis as provided for by GASB 79. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

CSAFE

The District has invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the CSAFE. CSAFE operates similarly to a money market fund. CSAFE primarily invests in U.S. Treasury securities, agencies, repurchase agreements, bank deposits, AAAM rated SEC registered money-market funds and highly-rated commercial paper. CSAFE is rated AAAM by Standard and Poor's. The CSAFE calculates the net asset value as of the conclusion of each business day. The net asset value is calculated on an amortized cost basis as provided for by GASB 79. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Investment Valuation

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

However, certain investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. Examples of these investments may include money market investments and certain 2a7-like external investment pools. It is permitted to record these types of investments at amortized cost. It is also permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment. The District's investments in CSIP and CSAFE are valued at net asset value per share.

The CSIP calculates the NAV as of the conclusion of each business day. The NAV is calculated by determining total assets, subtracting total liabilities from total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, which are accrued daily. The NAV is calculated on an amortized cost basis as provided for by GASB Statement 79. CSIP does not place any known limitations or restrictions such as notice periods or maximum transaction amounts on withdrawals. It is the goal of CSIP to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by CSIP and there can be no assurance that the NAV will not vary from \$1.00 per share.

The CSAFE calculates the NAV as of the conclusion of each business day. The NAV is calculated by determining total assets, subtracting total liabilities from total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, which are accrued daily. The NAV is calculated on an amortized cost basis as provided for by GASB Statement 79. CSAFE does not place any known limitations or restrictions such as notice periods or maximum transaction amounts on withdrawals. It is the goal of CSAFE to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by CSAFE and there can be no assurance that the NAV will not vary from \$1.00 per share.

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance December 31, 2024	Increases	Decreases	Balance December 31, 2025
Capital assets, not being depreciated:				
Land and water rights	\$ 250,200	\$ -	\$ -	\$ 250,200
Construction in process	14,896	-	-	14,896
Apparatus in process	-	1,651,563	-	1,651,563
Total capital assets, not being depreciated	265,096	1,651,563	-	1,916,659
Capital assets, being depreciated:				
Buildings and improvements	2,884,914	255,412	-	3,140,326
Cisterns	246,027	-	-	246,027
Equipment	1,109,007	-	-	1,109,007
Vehicles	1,594,942	140,668	(8,000)	1,727,610
Leased vehicles	1,339,381	-	-	1,339,381
Total capital assets, being depreciated	7,174,271	396,080	(8,000)	7,562,351
Less accumulated depreciation for:				
Buildings and improvements	(1,681,597)	(79,946)	-	(1,761,543)
Cisterns	(202,753)	(7,934)	-	(210,687)
Equipment	(652,954)	(79,242)	-	(732,196)
Vehicles	(1,161,431)	(92,933)	8,000	(1,246,364)
Leased vehicles	(456,062)	(64,970)	-	(521,032)
Total accumulated depreciation	(4,154,797)	(325,025)	8,000	(4,471,822)
Total capital assets, being depreciated depreciated, net	3,019,474	71,055	-	3,090,529
Capital assets, net	<u>\$ 3,284,570</u>	<u>\$ 1,722,618</u>	<u>\$ -</u>	<u>\$ 5,007,188</u>

NOTE 5 – LONG-TERM OBLIGATIONS

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

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Leases:					
PNC Equipment Finance, LLC	\$ 363,033	\$ -	\$ (117,571)	\$ 245,462	\$ 120,978
GM Lease of Tahoe	33,457	-	(33,457)	-	-
GM Lease of Silverado	46,235	-	(46,235)	-	-
PNC - BME Type 3 Engine	-	611,939	-	611,939	110,901
PNC - Pierce Pumper	-	1,039,624	-	1,039,624	82,925
Compensated absences	247,309	9,804	-	257,113	257,113
	<u>\$ 690,034</u>	<u>\$ 1,661,367</u>	<u>\$ (197,263)</u>	<u>\$ 2,154,138</u>	<u>\$ 571,917</u>

The detail of the District's long-term obligations, excluding the accrual for compensated absences, are as follows:

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Leases

Lease – Vehicles – On March 30, 2017 the District entered into a Master Lease – Purchase Agreement with PNC Equipment Finance, LLC for the purchase of two Pierce firetrucks and one Ford F-250 command vehicle and the refurbishment of one brush truck for a total lease-purchase agreement amount of \$1,185,502. The lease-purchase agreement is secured by the purchased vehicles and improvements. Along with other available funds of the District, the total capitalized costs of the leased assets was \$1,223,214. The lease-purchase agreement requires annual principal and interest payments of \$151,408 on March 30, 2018 through 2020, \$140,066 on March 30, 2021 and 2022, and \$128,092 on March 30, 2023 through 2027. The lease-purchase agreement bears interest at 2.898%. The lease-purchase agreement is subject to annual appropriation. During 2025, the District paid interest of \$10,521 and incurred interest expense of \$7,946.

Lease – Vehicle – On October 23, 2023, the District entered into Lease with Option to Purchase Agreement with GM Financial for the purchase of a 2023 Chevrolet Tahoe. The lease is secured by the 2023 Chevrolet Tahoe, which was capitalized in the amount of \$56,000. The lease-purchase agreement required an initial advance payment of \$13,057 of principal, and ongoing annual principal and interest payments of \$13,057 beginning on October 23, 2024 and ending on October 23, 2027. The lease-purchase agreement bears interest at 8.319%. The lease-purchase agreement is subject to annual appropriation. During 2025, the District paid off the lease ahead of schedule and paid interest of \$4,304 and incurred interest expense of \$3,778.

Lease – Vehicle – On March 22, 2024, the District entered into Lease with Option to Purchase Agreement with GM Financial for the purchase of a 2023 Chevrolet Silverado. The lease is secured by the 2023 Chevrolet Silverado, which was capitalized in the amount of \$60,167. The lease-purchase agreement required an initial advance payment of \$13,932 of principal, and ongoing annual principal and interest payments of \$13,932 beginning on March 22, 2025 and ending on March 22, 2028. The lease-purchase agreement bears interest at 7.912%. The lease-purchase agreement is subject to annual appropriation. During 2025, the District paid off the lease ahead of schedule and paid interest of \$6,607 and incurred interest expense of \$3,762.

Lease – Vehicle – On May 9, 2025, the District entered into an additional lease under the existing Master Lease – Purchase Agreement with PNC Equipment Finance LLC dated March 30, 2017, for the purchase of a BME Type 3 Engine in the amount of \$611,939. The lease-purchase agreement is secured by the purchased vehicle. The lease-purchase agreement requires annual principal and interest payments of \$141,069 beginning on May 9, 2026 and continuing through May 9, 2030. The lease-purchase agreement bears interest at 4.93%. The lease-purchase agreement is subject to annual appropriation. During 2025, the District paid interest of \$0 and incurred interest expense of \$19,588.

Lease – Vehicle – On May 9, 2025, the District entered into an additional lease under the existing Master Lease – Purchase Agreement with PNC Equipment Finance LLC dated March 30, 2017, for the purchase of a Pierce Pumper in the amount of \$1,039,624. The lease-purchase agreement is secured by the purchased vehicle. The lease-purchase agreement requires annual principal and interest payments of \$134,179 beginning on May 9, 2026 and continuing through May 9, 2035. The lease-purchase agreement bears interest at 4.93%. The lease-purchase agreement is subject to annual appropriation. During 2025, the District paid interest of \$0 and incurred interest expense of \$33,280.

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Future minimum lease obligations and the net present value of these lease payments as of December 31, 2025, are as follows:

<u>December 31,</u>	
2026	\$ 403,339
2027	403,339
2028	275,248
2029	275,248
2030	275,248
2031-2035	670,894
	2,303,316
Amount representing interest	(406,291)
Present Value of minimum lease payments	<u>\$ 1,897,025</u>

NOTE 6 - FUND EQUITY

As of December 31, 2025, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$99,423 is comprised of prepaid expenditures which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$188,400 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 15).

The restricted fund balances of the Capital Mill Levy Capital Projects Fund, Impact Fees Capital Projects Fund, and the Infrastructure Fee Capital Projects Fund in the amounts of \$598,656, \$131,948, and \$82,776, respectively, are restricted for capital improvements.

NOTE 7 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the net investment in capital assets was \$3,110,163.

Restricted position includes net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$188,400 as of December 31, 2025, as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 15). Additionally, the District had net position of \$813,380 restricted for capital improvements.

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 9 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - VOLUNTEER FIREFIGHTER PENSION PLAN

Volunteer Firefighter Pension Plan

General Information about the Pension Plan

Plan description. The District, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighter Pension Plan (VPP), a defined benefit pension plan which is affiliated with the 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 VPP 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. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Volunteer Firefighter Pension Board of Trustees is comprised of the five Directors of the District and two eligible District volunteer firefighters, which may include current District volunteer firefighters, retired District volunteer firefighters, or retired District firefighters who have returned to active service. The Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under the Colorado Revised Statutes. The District closed the Volunteer Firefighter Pension to new members effective December 31, 2004. Volunteer firefighters who complete the minimum annual training required by the District and who at the discretion of the Fire Chief are considered to have maintained "active service", are eligible to participate in the VPP for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers, who retire at or after the age of 50 with ten years of credited service, are entitled to a benefit. The maximum monthly benefit is \$750. In addition, the VPP provides death and disability benefits, funded by insurance policies. As of January 1, 2025, there were 22 retirees and beneficiaries receiving benefits and 1 inactive vested member.

Contributions. The District makes contributions based upon District established benefits and funding requirements based upon an actuarial study. VPP members do not make contributions. The State of Colorado also contributes to the VPP in an amount set by statute. The District's contribution was \$65,009 and the State of Colorado's contribution was \$18,220 for the year ended December 31, 2025.

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Net Pension Liability

Actuarial assumptions. The District's net pension liability was based on an actuarial valuation performed as of January 1, 2025, and a measurement date of December 31, 2024. The total pension liability from the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open *
Remaining amortization period	20 years *
Asset valuation method	5 - year smoothed fair value
Investment rate of return	7.0%
Projected salary increases	Not applicable
Inflation	2.5%
Cost-of-living adjustments	None
Retirement age	50% per year of eligibility until 100% at age 65
Mortality:	Pre-retirement: Pub-2010 Public 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 Public 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 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. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Asset Class	Target Allocation	Long-Term Expected 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	100.00%	

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 6.00%; 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 6.00%.

Changes in the Net Pension Liability

Changes in the District's net pension liability for the year ended December 31, 2025, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a) - (b)
Balances at 12/31/2024	\$ 1,458,286	\$ 893,200	\$ 565,086
Changes for the year:			
Interest on the total pension liability	97,097	-	97,097
Difference between expected & actual experience	(79,022)	-	(79,022)
Changes in assumptions or other inputs	110,554	-	110,554
Benefit payments	(144,825)	(144,825)	-
District contributions	-	65,009	(65,009)
State of Colorado contributions	-	36,440	(36,440)
Pension plan net investment income	-	83,290	(83,290)
Administrative expense	-	(7,860)	7,860
Net Changes	(16,196)	32,054	(48,250)
Balances at 12/31/2025	\$ 1,442,090	\$ 925,254	\$ 516,836

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Sensitivity of the District's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 6.00 percent, as well as what the net pension liability 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 Single Discount Rate Assumption 6.00%	1% Increase 7.00%
Proportionate share of the net pension (asset) liability	<u>\$ 645,282</u>	<u>\$ 516,836</u>	<u>\$ 406,282</u>

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the District recognized pension expense of \$36,584.

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

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 15,341
Contributions subsequent to the measurement date	<u>65,009</u>
Total	<u><u>\$ 80,350</u></u>

The \$65,009 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ending December 31, 2026.

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

<u>Year Ending December 31</u>	
2026	\$ 7,042
2027	21,534
2028	(8,730)
2029	<u>(4,505)</u>
	<u><u>\$ 15,341</u></u>

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 10 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO – STATEWIDE RETIREMENT PLAN

Statewide Retirement Plan

Effective January 1, 2023, the assets and liabilities of the Statewide Retirement Plan and Statewide Hybrid Plan were combined to form the Statewide Retirement Plan.

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The SRP consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension income/expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SRP 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 SRP

Plan description. The Defined Benefit Component and the 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. As of August 5, 2003, the SRP may include fire department clerical and other personnel whose services are auxiliary to fire protection. As of January 1, 2020, the Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under SRP.

The SRP 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.

FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Benefits provided. FPPA provides retirement and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. The FPPA Board of Directors may change the retirement age on an annual basis, depending on results of the actuarial valuation and other circumstances.

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension. A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' of 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' of 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 of 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 increase 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% to the higher of 3% or the Consumer Price Index (CPI) 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.

Contributions. Eligible employees and the District are required to contribute to the SRP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by statute or by election of the membership.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the member contribution rate beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of pensionable earnings. These increases result in a combined contribution rate of 25 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,

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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, 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 17.0 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, 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 from the employer are made on a pre-tax basis.

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

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

Total contributions to the SRP from the District were \$186,774 for the year ended December 31, 2025.

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

As of December 31, 2025, the District reported a net pension (asset)/liability of \$0 for its proportionate share of the net pension (asset)/liability. The net pension (asset)/liability was measured as of December 31, 2024, and the total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of January 1, 2025. The

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

District's proportion of the net pension (asset)/liability was based on District contributions to the SRP for the calendar year 2024 relative to the total contributions of participating employers to the SRP.

As of the December 31, 2024 measurement date, the District's proportion was 0.1631080%, which was a decrease of 0.0055929% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense of \$99,234. As of 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	\$ 391,947	\$ (12,260)
Net difference between projected and actual earnings on pension plan investments	55,680	-
Changes in assumptions or other inputs	140,274	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	505,332	-
Contributions subsequent to the measurement date	186,774	-
Total	<u>\$ 1,280,007</u>	<u>\$ (12,260)</u>

As December 31, 2025, the District reported as deferred outflows of resources related to pensions in the amount of \$186,774, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2026.

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

<u>Year Ending December 31</u>	
2026	\$ (42,366)
2027	267,385
2028	189,738
2029	181,530
2030	197,823
2031	193,872
2032	85,783
2033	7,208
	<u>\$ 1,080,973</u>

Actuarial assumptions. The total pension (asset)/liability from the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs:

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Actuarial method	Entry age normal
Amortization method	N/A
Amortization period	N/A
Long-term investment rate of return *	7.0%
Projected salary increases	4.25%-11.75%
Cost of living adjustments (COLA)	0.0%
* Includes inflation at	2.5%

For determining the total pension (asset)/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 with 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 are summarized in the following table:

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Asset Class	Target Allocation	Long-Term Expected 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 pension liability was 7.0 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 established the contractually required rates under Colorado Statutes. Based on those assumptions, the SRP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The COLA assumption reflects the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the 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 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Regarding the sensitivity of the net pension liability/(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:

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability (asset)	\$ 795,953	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost-of-living adjustments and to manage adverse experience of \$143,757,639 at a 7.00 percent discount rate and \$666,904,279 at an 8.00 percent discount rate.

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

NOTE 11 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE DEATH AND DISABILITY PLAN

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1998 pursuant to Colorado Revised Statutes. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.8% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.8% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District and employees are both contributing to make a combined contribution of 3.8%. For the year ending December 31, 2025, the District's contributions to the SWD&DP were \$48,070 and the employees' contributions were \$27,848, equal to the required contributions.

NOTE 12 – DEFERRED COMPENSATION PLANS

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by FPPA. Participation in the plan is optional for qualifying employees. The plan allows the employees to defer a portion of their salary until future years. During the year ended December 31, 2025, the employees deferred \$38,563.

The District also has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the Equitable Financial Life Insurance Company. Participation in the plan is optional for qualifying employees. The plan allows the employees to defer a portion of their salary until future years. During the year ended December 31, 2025 the employees deferred \$7,680.

The District also has a deferred compensation plan created in accordance with Internal Revenue Code Section Roth 403b. The plan is administered by the Equitable Financial Life Insurance

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Company. Participation in the plan is optional for qualifying employees. The plan allows the employees to defer a portion of their salary until future years. During the year ended December 31, 2025 the employees deferred \$19,520.

NOTE 13 – DEFINED CONTRIBUTION PLAN

The District has a deferred contribution plan created in accordance with Internal Revenue Code Section 401a. The plan is administered by Equitable Financial Life Insurance Company. Participation in the plan is mandatory for the District's administration employees who do not qualify to participate in the FPPA Statewide Retirement Plan. The plan requires the District and the employees to contribute 10% of the employees' wages to the plan. The employees' contributions to the plan vest 100% when contributed. The District's contributions become vested ratably over a 3 year period. During the year ended December 31, 2025, the District and the employees made the contributed contributions of \$17,018 and \$17,018, respectively.

NOTE 14 – RETIREE HEALTHCARE FUNDING PLAN

The District, as sponsoring entity, has a deferred contribution retirement healthcare funding plan created in accordance with Internal Revenue Code Section 115. The plan was created by the National Public Pension Fund Association and is administered by Babbitt Municipalities Inc. Participation in the plan is mandatory for the District's employees. The plan requires the employees to contribute at the following levels: Fire Chiefs - 2% of wages, Administrative employees – 2% of wages, Lieutenants, Firefighters and Paramedics – 1% of wages. The District contributes 1% of all employees' wages. Once an employee enters the DROP program with FPPA, the then current employer contribution percentage that would have gone to the FPPA Statewide Retirement Plan, will instead be contributed to the retirement healthcare funding plan. The employees' and employer's contributions to the plan vest 100% when contributed. During the year ended December 31, 2025, the District and the employees made the contributed contributions of \$62,168 and \$31,884, respectively.

NOTE 15 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

**ELIZABETH FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

On May 7, 1996, a majority of the District's electors voting in the election authorized the District to collect, retain, and spend all revenue from all sources in 1996 and subsequent years without regard to any limitation under TABOR or the 5.5% limit of Section 29-1-301.

On May 2, 2000, voters within the District approved a ballot issue imposing an additional ad valorem property tax rate of 2.000 mills, increasing District taxes by \$155,438 annually. This rate increase, which commenced January 1, 2000 resulted in a total District mill levy rate, exclusive of refunds or abatements, of 11.740 mills providing fire protection, rescue, emergency medical and ambulance services, acquisition of capital equipment, construction of facilities, and hiring of additional personnel. The District was authorized to collect, retain, and spend all revenue generated from its 11.740 mill levy imposed.

On November 3, 2009, voters within the District approved the following ballot issue:

Shall Elizabeth Fire Protection District taxes be increased \$272,500 (first full fiscal year dollar increase) annually beginning in levy year 2009 (collected in 2010) and ending after the levy in year 2016 (collected in 2017) by increasing the District's existing tax by 1.970 mills to be used for: necessary upgrades to fire stations 1, 2, & 3; purchase of two structural fire engines; purchase of two wild land fire trucks; purchase of two emergency medical ambulances; purchase of two incident command vehicles; update apparatus & firefighter safety equipment; provided, that for the 8 years this capital improvement tax is in place, the revenue from the 1.970 mills and any earnings on this tax shall constitute a voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes, and any other law?

On November 8, 2016, voters within the District approved the following ballot issue:

Without raising additional taxes, shall the existing Elizabeth Fire Protection District 1.970 mill property taxes designated for capital projects be extended indefinitely from its current expiration of December 31, 2017, and to be used only for capital improvements, all revenue and earnings from this tax constituting a permanent voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes and any other law.

On November 6, 2018, voters within the District approved the following ballot issue:

Shall Elizabeth Fire Protection District be authorized to increase or decrease its current and all future mill levies only if, on or after November 6, 2018, there are changes in the method of calculating assessed valuation, including but not limited to a change in the percentage of actual valuation used to determined residential assessed valuation due to Article X Section 3 of the Colorado Constitution (commonly known as the Gallagher Amendment), so that, to the extent possible, the actual tax revenues generated by such mill levies are the same as the actual tax revenues that would have been generated had such changes not occurred?

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
VOLUNTEER FIREFIGHTER PENSION PLAN
LAST TEN FISCAL YEARS

Measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest on the total pension liability	\$ 97,097	\$ 100,214	\$ 112,878	\$ 115,987	\$ 119,869	\$ 123,111	\$ 127,663	\$ 130,576	\$ 127,754	\$ 130,662
Difference between expected and actual experience	(79,022)	-	(151,184)	-	(8,770)	-	30,717	-	26,080	-
Changes in assumptions or other inputs	110,554	-	8,398	-	-	-	67,703	-	53,218	-
Benefit payments	(144,825)	(144,675)	(157,125)	(163,575)	(169,425)	(169,425)	(169,425)	(169,425)	(169,425)	(169,425)
Net Change in Total Pension Liability	(16,196)	(44,461)	(187,033)	(47,588)	(58,326)	(46,314)	56,658	(38,849)	37,627	(38,763)
Total Pension Liability - Beginning	1,458,286	1,502,747	1,689,780	1,737,368	1,795,694	1,842,008	1,785,350	1,824,199	1,786,572	1,825,335
Total Pension Liability - Ending (a)	<u>\$ 1,442,090</u>	<u>\$ 1,458,286</u>	<u>\$ 1,502,747</u>	<u>\$ 1,689,780</u>	<u>\$ 1,737,368</u>	<u>\$ 1,795,694</u>	<u>\$ 1,842,008</u>	<u>\$ 1,785,350</u>	<u>\$ 1,824,199</u>	<u>\$ 1,786,572</u>
Plan Fiduciary Net Position										
District contributions	\$ 65,009	\$ 64,477	\$ 64,477	\$ 64,477	\$ 64,477	\$ 55,086	\$ 55,086	\$ 44,811	\$ 44,811	\$ 58,548
State of Colorado contributions	36,440	-	18,220	36,440	-	18,220	18,220	18,220	18,220	18,220
Pension plan net investment income	83,290	81,144	(79,750)	139,604	114,290	129,902	888	142,579	54,472	20,583
Benefit payments	(144,825)	(144,675)	(157,125)	(163,575)	(169,425)	(169,425)	(169,425)	(169,425)	(169,425)	(169,425)
Administrative expense	(7,860)	(8,913)	(7,373)	(8,563)	(6,085)	(6,808)	(6,238)	(6,088)	(1,910)	(2,747)
Net Change in Plan Fiduciary Net Position	32,054	(7,967)	(161,551)	68,383	3,257	26,975	(101,469)	30,097	(53,832)	(74,821)
Plan Fiduciary Net Position - Beginning	893,200	901,167	1,062,718	994,335	991,078	964,103	1,065,572	1,035,475	1,089,307	1,164,128
Plan Fiduciary Net Position - Ending (b)	<u>\$ 925,254</u>	<u>\$ 893,200</u>	<u>\$ 901,167</u>	<u>\$ 1,062,718</u>	<u>\$ 994,335</u>	<u>\$ 991,078</u>	<u>\$ 964,103</u>	<u>\$ 1,065,572</u>	<u>\$ 1,035,475</u>	<u>\$ 1,089,307</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ 516,836</u>	<u>\$ 565,086</u>	<u>\$ 601,580</u>	<u>\$ 627,062</u>	<u>\$ 743,033</u>	<u>\$ 804,616</u>	<u>\$ 877,905</u>	<u>\$ 719,778</u>	<u>\$ 788,724</u>	<u>\$ 697,265</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>64.16%</u>	<u>61.25%</u>	<u>59.97%</u>	<u>62.89%</u>	<u>57.23%</u>	<u>55.19%</u>	<u>52.34%</u>	<u>59.68%</u>	<u>56.76%</u>	<u>60.97%</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT AND STATE CONTRIBUTIONS
VOLUNTEER FIREFIGHTER PENSION PLAN
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 57,081	\$ 57,081	\$ 78,276	\$ 78,276	\$ 82,697	\$ 82,697	\$ 73,306	\$ 73,306	\$ 63,031	\$ 63,031
Contributions in relation to the actuarially required contribution:										
District contribution	(65,009)	(65,009)	(64,477)	(64,477)	(64,477)	(64,477)	(55,086)	(55,086)	(44,811)	(44,811)
State of Colorado contribution	(18,220)	(36,440) (B)	- (B)	(18,220)	(36,440) (A)	- (A)	(18,220)	(18,220)	(18,220)	(18,220)
Contribution deficiency/(excess)	<u>\$ (26,148)</u>	<u>\$ (44,368)</u>	<u>\$ 13,799</u>	<u>\$ (4,421)</u>	<u>\$ (18,220)</u>	<u>\$ 18,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
Amortization method: Level dollar, open *
Remaining amortization period: 20 years *
Asset valuation method: 5 - year smoothed fair value
Investment rate of return: 7.0%
Projected salary increases: Not applicable
Inflation: 2.5%
Cost-of-living adjustments: None
Retirement age: 50% per year of eligibility until 100% at age 65
Mortality: **Pre-retirement:** Pub-2010 Public 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 Public 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.

{A} - The District applied for the State of Colorado contribution during 2020, however the State of Colorado had not made the contribution as of December 31, 2020. The District received the 2020 contribution in 2021.

{B} - The District applied for the State of Colorado contribution during 2023, however the State of Colorado had not made the contribution as of December 31, 2023. The District received the 2023 contribution in 2024.

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF THE NET PENSION LIABILITY
VOLUNTEER FIREFIGHTER PENSION PLAN
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability	\$ 1,442,090	\$ 1,458,286	\$ 1,502,747	\$ 1,689,780	\$ 1,737,368	\$ 1,795,694	\$ 1,842,008	\$ 1,785,350	\$ 1,824,199	\$ 1,786,572
Plan Fiduciary Net Position	(925,254)	(893,200)	(901,167)	(1,062,718)	(994,335)	(991,078)	(964,103)	(1,065,572)	(1,035,475)	(1,089,307)
Net Pension Liability	<u>\$ 516,836</u>	<u>\$ 565,086</u>	<u>\$ 601,580</u>	<u>\$ 627,062</u>	<u>\$ 743,033</u>	<u>\$ 804,616</u>	<u>\$ 877,905</u>	<u>\$ 719,778</u>	<u>\$ 788,724</u>	<u>\$ 697,265</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	<u>64.16%</u>	<u>61.25%</u>	<u>59.97%</u>	<u>62.89%</u>	<u>57.23%</u>	<u>55.19%</u>	<u>52.34%</u>	<u>59.68%</u>	<u>56.76%</u>	<u>60.97%</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE RETIREMENT PLAN
LAST FIVE FISCAL YEARS

Measurement period ending December 31,	2024	2023	2022	2021	2020
District's Proportion of the Net Pension Liability/(Asset)	0.1631080%	0.1687009%	7.7861181%	8.7163891%	7.2479187%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ -	\$ -	\$ (113,556)	\$ (3,305,227)	\$ (1,993,547)
District's Covered Payroll	\$ 1,794,287	\$ 1,823,140	\$ 1,606,388	\$ 1,639,683	\$ 683,857
Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	7.07%	201.58%	291.52%
Calculation of Collectvie Net Pension Liability/(Asset):					
Total Pension Liability	\$ 4,716,284,644	\$ 4,212,130,287	\$ 106,056,059	\$ 77,369,219	\$ 72,402,198
Plan Fiduciary Net Position	(4,716,284,644)	(4,212,130,287)	(107,514,506)	(115,288,898)	(99,907,288)
Net Pension Liability/(Asset)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,458,447)</u>	<u>\$ (37,919,679)</u>	<u>\$ (27,505,090)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	100.00%	100.00%	101.38%	149.01%	137.99%

NOTE: Information for the prior five years was not applicable as the District joined the FPPA Statewide Hybrid Plan effective July 1, 2020, during the December 31, 2020 measurement period. The District's contributions were annualized by FPPA for the calculation of the proporation share for the December 31, 2020 measurement period. The District's Covered Payroll has not been annualized above for the December 31, 2020 measurement period.

NOTE: Effective January 1, 2023 (Measurement Period Ending December 31, 2023) the Statewide Defined Benefits Plan and the Statewide Hybrid Plan were combined to form the Statewide Retirement Plan. As a result the information provided for the measurement period December 31, 2023 is for the Statewide Retirement Plan.

**ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE RETIREMENT PLAN
LAST SIX FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 186,774	\$ 178,658	\$ 157,547	\$ 143,332	\$ 147,573	\$ 61,547
Contributions in Relation to the Contractually Required Contribution	<u>(186,774)</u>	<u>(178,658)</u>	<u>(157,547)</u>	<u>(143,332)</u>	<u>(147,573)</u>	<u>(61,547)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,874,357	\$ 1,794,287	\$ 1,823,140	\$ 1,606,388	\$ 1,639,683	\$ 683,857
Contributions as a Percentage of Covered Payroll	9.96%	9.96%	8.64%	8.92%	9.00%	9.00%

NOTE: Information for the prior four years was not applicable as the District joined the FPPA Statewide Hybrid Plan effective July 1, 2020, during the December 31, 2020 measurement period.

SUPPLEMENTARY INFORMATION

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL MILL LEVY CAPITAL PROJECTS FUND
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 625,214	\$ 625,214	\$ 610,206	\$ (15,008)
Net investment income	20,000	20,000	28,743	8,743
Grants	120,000	120,000	-	(120,000)
Total revenues	<u>765,214</u>	<u>765,214</u>	<u>638,949</u>	<u>(126,265)</u>
EXPENDITURES				
County Treasurer's fees	18,756	18,756	18,330	426
Debt service:				
Principal	138,119	138,119	197,263	(59,144)
Interest and other fiscal charges	16,962	16,962	21,433	(4,471)
Capital outlay:				
Buildings - capitalized	276,000	276,000	255,412	20,588
Vehicles - capitalized	513,500	2,165,063	1,734,905	430,158
Equipment - below capitalization threshold	40,500	40,500	41,909	(1,409)
Total expenditures	<u>1,003,837</u>	<u>2,655,400</u>	<u>2,269,252</u>	<u>386,148</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(238,623)</u>	<u>(1,890,186)</u>	<u>(1,630,303)</u>	<u>259,883</u>
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	1,651,563	1,651,563	-
Total other financing sources (uses)	<u>-</u>	<u>1,651,563</u>	<u>1,651,563</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(238,623)</u>	<u>(238,623)</u>	<u>21,260</u>	<u>259,883</u>
FUND BALANCE - BEGINNING OF YEAR	<u>542,451</u>	<u>542,451</u>	<u>577,396</u>	<u>34,945</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 303,828</u></u>	<u><u>\$ 303,828</u></u>	<u><u>\$ 598,656</u></u>	<u><u>\$ 294,828</u></u>

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - IMPACT FEES CAPITAL PROJECTS FUND
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Impact fees	\$ 20,000	\$ 61,626	\$ 41,626
Net investment income	1,000	3,481	2,481
Total revenues	<u>21,000</u>	<u>65,107</u>	<u>44,107</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>21,000</u>	<u>65,107</u>	<u>44,107</u>
OTHER FINANCING SOURCES (USES)			
Transfer (out)	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	16,000	65,107	49,107
FUND BALANCE - BEGINNING OF YEAR	<u>63,698</u>	<u>66,841</u>	<u>3,143</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 79,698</u></u>	<u><u>\$ 131,948</u></u>	<u><u>\$ 52,250</u></u>

ELIZABETH FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - INFRASTRUCTURE FEE CAPITAL PROJECTS FUND
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Infrastructure fees	\$ 10,000	\$ 8,430	\$ (1,570)
Net investment income	2,000	3,237	1,237
Total revenues	<u>12,000</u>	<u>11,667</u>	<u>(333)</u>
EXPENDITURES			
Capital outlay:			
Facilities	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	(8,000)	11,667	19,667
FUND BALANCE - BEGINNING OF YEAR	<u>70,315</u>	<u>71,109</u>	<u>794</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 62,315</u></u>	<u><u>\$ 82,776</u></u>	<u><u>\$ 20,461</u></u>

OTHER INFORMATION

**ELIZABETH FIRE PROTECTION DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2025**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied			Property Taxes		Percentage Collected to Levied
		General Fund	Capital Mill Levy Capital Projects Fund	Total	Levied	Collected	
2007	\$ 126,405,935	11.778 *	0.000	11.778	\$ 1,488,809	\$ 1,486,772	99.9%
2008	\$ 138,427,565	11.871 *	0.000	11.871	\$ 1,643,274	\$ 1,636,622	99.6%
2009	\$ 140,945,510	11.828 *	0.000	11.828	\$ 1,667,103	\$ 1,657,594	99.4%
2010	\$ 135,877,326	13.769 *	0.000	13.769	\$ 1,870,895	\$ 1,876,578	100.3%
2011	\$ 139,596,664	13.791 *	0.000	13.791	\$ 1,925,177	\$ 1,925,271	100.0%
2012	\$ 129,293,842	13.758 *	0.000	13.758	\$ 1,778,825	\$ 1,772,124	99.6%
2013	\$ 129,285,770	13.767 *	0.000	13.767	\$ 1,779,877	\$ 1,771,976	99.6%
2014	\$ 127,129,393	13.805 *	0.000	13.805	\$ 1,755,021	\$ 1,754,367	100.0%
2015	\$ 127,522,779	13.752 *	0.000	13.752	\$ 1,753,693	\$ 1,750,685	99.8%
2016	\$ 143,609,333	13.734 *	0.000	13.734	\$ 1,972,331	\$ 1,980,830	100.4%
2017	\$ 145,940,068	13.742 *	0.000	13.742	\$ 2,005,508	\$ 2,006,493	100.0%
2018	\$ 171,381,242	11.743 *	1.971 *	13.714 *	\$ 2,350,322	\$ 2,346,507	99.8%
2019	\$ 173,125,514	11.751 *	1.972 *	13.723 *	\$ 2,375,801	\$ 2,369,614	99.7%
2020	\$ 199,951,867	11.840 *, **	1.983 *, **	13.823 *	\$ 2,763,934	\$ 2,756,986	99.7%
2021	\$ 204,247,751	11.843 *, **	1.990 *, **	13.833 *	\$ 2,825,358	\$ 2,823,467	99.9%
2022	\$ 223,636,503	11.812 *, **	1.982 *, **	13.794 *	\$ 3,084,842	\$ 3,087,781	100.1%
2023	\$ 225,655,043	12.113 *, **	2.032 *, **	14.145 *	\$ 3,191,890	\$ 3,189,349	99.9%
2024	\$ 298,413,072	12.402 *, **	2.081 *, **	14.483 *	\$ 4,321,916	\$ 4,764,994	110.3%
2025	\$ 317,367,260	11.740	1.970	13.710 *	\$ 4,351,105	\$ 4,246,386	97.6%
Estimated for year ending December 31, 2026							
	\$ 330,490,652	13.320 *, **	2.180 **	15.500 *	\$ 5,122,605		

NOTE: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information

* Includes mill levy for tax refunds and abatements.

** Includes mill levy adjustment for changes in the residential assessment rate as allowed by the District's November 6, 2018 election.