Genesee Fire Protection District

Jefferson County, Colorado

Annual Financial Report and
Independent Auditors' Report

December 31, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Genesee Fire Protection District

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

Sincerely,

Littleton, Colorado
July 16, 2026

Genesee Fire Protection District
Management's Discussion and Analysis
December 31, 2025

This section presents management's analysis of Genesee Fire Protection District (the District) financial condition and activities as of and for the year ended December 31, 2025. Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements.

This information should be read in conjunction with the audited financial statements that follow this section. The District, as the primary governmental entity, includes, within the financial statements, the financial position and activities of the District's Pension Plan. The discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader on the District's financial issues and activities.

The information in this MD&A is presented under the following headings:

I. Overview of the Basic Financial Statements
II. Financial Analysis
III Capital Assets
IV Budgetary Highlights
V. Economic Factors and Next Year's Budget and Rates
VI. Requests for Information

I. Overview of the Basic Financial Statements

The District's basic financial statements are comprised of four components: (A.) Government-wide Financial Statements (B.) Fund Financial Statements (C.) Notes to Basic Financial Statements and (D.) Required supplementary information and other supplementary information in addition to the basic financial statements.

A. Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of overall District government, except for fiduciary activities. Governmental activities generally are financed through taxes.

B. 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 special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the District are presented as a special purpose government engaged only in governmental type activities providing fire protection services to District residents.

General Fund

The District's General Fund statements include:

The *Balance Sheets* present information on all of the District's assets and liabilities, with the difference between the two reported as fund balance. Over time, increases or decreases in assets and liabilities may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenditures and Changes in Fund Balance* present information which reflects how the District's fund balance changed during the past year. All changes in assets and liabilities are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in the statements for some items that will only result in cash flows in future fiscal periods.

C. Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 6 to 24 of this report.

D. Required Supplementary Information and Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons presented for legal compliance.

II. Financial Analysis

A. Financial Highlights

- Net Position increased by $22,812 (0.8%) when compared to 2024
- District revenues (fund basis) decreased by $33,491 (2.4%) from 2024 to 2025
- District expenses (fund basis) increased by $4,018,162 (356%) from 2024 to 2025

B. Financial Position

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, the total net position, was $2,721,059 and $2,698,247 for the years ended December 31, 2025 and 2024, respectively.

The largest portion of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position
December 31, 2025

	2025
Assets	
Current assets	$ 7,347,347
Capital assets, net and other non-current assets	5,876,850
Deferred outflows of resources	276,443
Total assets and deferred outflows	13,500,640
Liabilities and Deferred Inflows of Resources	
Current liabilities	868,182
Due in more than one year	7,890,941
Net pension liability	98,099
Deferred inflows of resources	1,922,359
Total liabilities and deferred inflows of resources	10,779,581
Net Position	
Net investment in capital assets	2,029,854
Restricted	24,852
Unrestricted	666,353
Total net position	$ 2,721,059

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C. Results of Operation

The following table shows the changes in the District's Net Position during the year.

Statement of Activities
December 31, 2025

	2025
Revenue	
Property taxes	$ 1,032,926
Specific ownership taxes	71,184
Investment earnings	50,250
Operating grants and contributions	10,000
Other income	213,523
Total revenue	1,377,883
Expenses	
Public safety	989,826
Interest and related cost on long-term debt	365,245
Total program expenses	1,355,071
Change in Net Position	22,812
Net Position—Beginning of Year	2,698,247
Net Position—End of Year	$ 2,721,059

District Revenue and Expense Analysis:

Revenues
District revenues as of December 31, 2025 decreased by $33,491 over the year ended December 31, 2024. The decrease was primarily due to the decrease in property taxes, when compared to the prior year.

Expenditures/Expenses
District expenditures/expenses as of December 31, 2025 increased by $383,097 over the year ended December 31, 2024. The increase was primarily due to the issuance of the General Obligation Bonds, Series 2025 during the current fiscal year and the related costs.

General Fund:

The General Fund was established and continually funded to provide for the general and administrative expenses and operating costs of the District. This Fund provides for the functional areas of the organization: Administration, Firefighting, Fire Prevention, Training, Communications, Apparatus and

Facilities Maintenance and Replacement. The primary funding source for the General Fund is taxation of real and personal property. Other sources of income for the General Fund include interest income on reserve funds and fees from plan reviews and inspections, grants and payments for reimbursable out-of-district responses. The primary projects or program efforts for establishing funding during 2024 were:

- Support and improve upon the training programs which enable us to provide quality emergency services to the community.
- Maintain competitive salaries and benefits for all existing full-time and temporary personnel of the District.
- Normally incurred operational expenses of the District and Department.
- Maintain established fire prevention, educational and safety programs as well as the development of new programs.
- Continue with an aggressive preventive maintenance program focused on maintaining peak performance for all District apparatus and equipment.
- Maintain a replacement program to continually upgrade aging equipment and apparatus.
- Continue with the building maintenance and upgrade program for the fire station.

III. Capital Assets and Long-Term Debt

A. Capital Assets

The District's investment in capital assets at December 31, 2025 amounts to $1,704,335 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishings. An analysis of changes in capital assets is as follows:

Capital Assets
December 31, 2025 and 2024

	2025	2024	Variance	Percentage Change
Land	$ 50,000	$ 50,000	$ -	0.00%
Construction in progress	4,387,158	68,934	4,318,224	6264.29%
Building and improvements	1,102,538	1,090,992	11,546	1.06%
Apparatus	1,897,172	1,895,287	1,885	0.10%
Communications equipment	329,002	329,002	-	0.00%
Protective and other equipment	681,091	622,765	58,326	9.37%
Office equipment and IT	128,546	128,546	-	0.00%
Total capital assets	8,575,507	4,185,526	4,389,981	
Less: accumulated depreciation	(2,698,657)	(2,481,191)	(217,466)	
Capital assets, net of accumulated depreciation	$5,876,850	$1,704,335	$4,172,515	

The District's significant investments in capital during 2025 are as follows:

- Construction in process for engineering, legal, and construction costs for the Emergency Access Route
- Personal protective equipment

Additional information on the District's capital assets can be found in Note 5 of this report.

B. Long-term Debt

The District issued General Obligation Bonds, Series 2025 in the amount of in the amount of $7,840,000 on July 31, 2025. The proceeds from the bonds are to be used to finance construction of the Emergency Access Route and related stormwater facilities. See Note 6 of this report for additional information.

IV. General Fund Budgetary Highlights

The District's annual budgets are prepared according to Colorado law and they are based on accounting for certain transactions on a basis of cash receipts and disbursements. It should be noted that the 2025 budget was monitored to more closely align expenses with the areas of responsibility.

The difference between the final budgeted expenditures of $900,716 and the actual expenditures of $828,392 resulted in a favorable variance of $72,323.

Additional information on the District's detailed budget can be found in page 25 of this report.

V. Economic Factors and Next Year's Budget

- Property taxes are budgeted in the amount of $1,303,101 for the General Fund and $522,041 for the Bond Fund based on an assessed valuation of the district of $105,420,347 with a mill levy of 12.3614 for the General Fund and 4.952 for the Bond Fund. $2,000,500 has been budgeted for various capital expenditures across all categories, with the most significant budgeted area apparatus and vehicles in the General Fund. $562,400 has been budgeted for various expenses in the Bond Fund, with he most significant budgeted expense in the Bond Fund is for interest payments on the 2025 GO Bonds.
- The assessed valuation of the district is approximately $1,633,874 or 1.6% higher than the December 31, 2025 budget year and the mill levy increased to 17.313, resulting in increased property taxes of approximately $775,209 when compared to the December 31, 2026 budget year.

VI. Requests for Information

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Genesee Fire Protection District, 23455 Currant Drive, Golden, CO 80401.

Basic Financial Statements

Genesee Fire Protection District
Statement of Net Position
December 31, 2025

Assets	**Governmental Activities**
Current assets:	
Cash and cash equivalents	$ 5,416,010
Property taxes receivable	1,825,142
Accounts receivable and other	106,195
Total current assets	7,347,347
Long-Term assets:	
Capital assets, net (Note 5)	5,876,850
Total long-term assets	5,876,850
Deferred Outflows of Resources	
Deferred outflows related to pension	276,443
Total deferred outflows of resources	276,443
Total assets and deferred outflows of resources	$ 13,500,640
Liabilities	
Accounts payable and accrued payroll liabilities	$ 498,633
Accrued interest	161,004
Retainage payable	208,545
Noncurrent liabilities:	
Due in more than one year	7,890,941
Net pension liability	98,099
Total liabilities	8,857,222
Deferred Inflows of Resources	
Deferred property tax revenue	1,825,142
Deferred inflows related to pension	97,217
Total deferred inflows of resources	1,922,359
Net Position	
Net investment in capital assets	2,029,854
Restricted for emergencies	24,852
Unrestricted	666,353
Total net position	2,721,059
Total liabilities, deferred inflows of resources, and net position	$ 13,500,640

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

Genesee Fire Protection District
Statement of Activities
For the Year Ended December 31, 2025

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities				
Public safety	$ 989,826	$ -	$ 10,000	$ (979,826)
Interest and related cost on long-term debt	365,245	-	-	(365,245)
Total governmental activities	$ 1,355,071	$ -	$ 10,000	$ (1,345,071)
General revenues:				
Taxes:				
Property taxes				1,032,926
Specific ownership taxes				71,184
Investment income				50,250
Other income				213,523
Change in net position				22,812
Net position - beginning of year				2,698,247
Net position - end of year				$ 2,721,059

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

Genesee Fire Protection District
Governmental Fund Balance Sheet and
Reconciliation of the Governmental Fund Balance Sheet
with the Statement of Net Position
December 31, 2025

Assets	General Fund	Bond Fund	Total Governmental Funds
Cash and cash equivalents	$ 1,211,061	$ 4,204,949	$ 5,416,010
Property taxes receivable	1,303,101	522,041	1,825,142
Accounts receivable and other	100,402	-	100,402
Due from County Treasurer	5,793	-	5,793
Total assets	2,620,357	4,726,990	7,347,347
Liabilities			
Accounts payable and accrued payroll liabilities	85,299	413,334	498,633
Retainage payable	-	208,545	208,545
Total liabilities	85,299	621,879	707,178
Deferred Inflows of Resources			
Deferred property tax revenue	1,303,101	522,041	1,825,142
Total deferred inflows of resources	1,303,101	522,041	1,825,142
Fund Balance			
Restricted for:			
Emergency reserve	24,852	-	24,852
Debt service	-	3,583,070	3,583,070
Unassigned	1,207,105	-	1,207,105
Total fund balance	1,231,957	3,583,070	4,815,027
Total liabilities, deferred inflows of resources and fund balance	$ 2,620,357	$ 4,726,990	$ 7,347,347

Fund Balance - Total Governmental Fund	$ 4,815,027
Amounts reported for governmental activities in the statement of net position is excluded from the governmental fund balance because:	
Capital assets used in governmental activities are not current financial resources and are excluded from the funds.	
Governmental capital assets	8,575,507
Less accumulated depreciation	(2,698,657)
Long-term liabilities such as bonds payable and accrued interest payable are not due and payable in the current period and are not reported as liabilities in the governmental fund financial statements.	
Bonds payable	(7,891,659)
Accrued interest payable	(161,004)
Amortization of bond premium	718
Pension balances are not available resources and are not included in fund financial statements.	
Net pension asset	-
Net pension liability	(98,099)
Deferred outflows related to pension	276,443
Deferred inflows related to pension	(97,217)
Net position of governmental activities	$ 2,721,059

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

Genesee Fire Protection District
Governmental Fund Revenues, Expenditures, and Change in Fund Balance
December 31, 2025

	General Fund	Bond Fund	Total
Revenues			
Property tax	$ 1,032,926	$ -	$ 1,032,926
Specific ownership tax	71,184	-	71,184
Grants	10,000	-	10,000
Interest and other income	137,489	126,284	263,773
Total Revenues	1,251,599	126,284	1,377,883
Expenditures			
General operations	113,271	-	113,271
Safety and training	21,646	-	21,646
Apparatus and equipment	79,188	-	79,188
Fire station	32,804	-	32,804
Administration	443,603	-	443,603
Contribution to pension fund	66,123	-	66,123
Capital outlay	71,758	4,318,224	4,389,982
Total Expenditures	828,393	4,318,224	5,146,617
Excess of Revenues over (under) Expenditures	423,206	(4,191,940)	(3,768,734)
Other financing sources and (uses)			
Bond - Proceeds	-	7,840,000	7,840,000
Bond - Premium	-	51,659	51,659
Bond - Cost of issuance	-	(204,959)	(204,959)
Interfund transfers	(88,310)	88,310	-
Total other financing sources and (uses)	(88,310)	7,775,010	7,686,700
Net Change in Fund Balance	334,896	3,583,070	3,917,966
Fund balance:			
Beginning of the year	897,061	-	897,061
End of the year	$ 1,231,957	$ 3,583,070	$ 4,815,027

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

Genesee Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of Governmental Fund to the Statement of Activities
December 31, 2025

Net change in fund balance—total governmental funds	$3,917,966
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. Additionally, fund financial statements do not recognize contributions of capital assets as revenues.	
Current year depreciation	(217,466)
Capital outlay - capitalized portion	4,389,981
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is, issued, whereas these amounts are deferred and amortized in the statement of activities.	
Issuance of bonds	(7,840,000)
Premium on bonds	(51,659)
Amortization of bond premium	718
Accrued interest on bonds - change in liability	(161,004)
Pension income related to the changes in pension assets as deferred outflows and inflows does not use current financial resources and is excluded from the funds.	
Changes in net pension liability, deferred inflows and deferred outflows	(15,724)
Change in net position of governmental activities	$ 22,812

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

1. Definition of Reporting Entity

The Genesee Fire Protection District (the "District") is a quasi-municipal corporation governed pursuant to provisions in the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Jefferson County, Colorado. The District was established to provide firefighting and emergency services to the citizens and their property within its jurisdiction, and to individuals passing through its jurisdiction.

On February 21, 2011, the District was approved as an exempt organization under section 501(c)(3) of the Internal Revenue Code. In an attempt to better serve the taxpayers and maintain low tax mill levy, the District has actively sought grants for capital equipment purchases; many of these grants are given out by private charitable foundations, who will only grant monies to organizations exempt under this code. The District successfully sought this exemption status and is now eligible for private charitable foundation grants.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that 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, which is the primary government, is not considered a component unit of any other government and does not engage in any business-type activities.

2. Summary of Significant Accounting Policies

The financial statements of the Genesee Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. Governmental activities are generally supported by taxes, charges for services and intergovernmental revenues. There are no business-type activities in the District for the year ended December 31, 2025.

2. Summary of Significant Accounting Policies (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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 those 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.

The fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The District has two governmental funds, the General Fund and Bond Fund.

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 revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets and liabilities generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balance present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting.

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

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

2. Summary of Significant Accounting Policies (continued)

In accordance with GASB, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Capital Assets

Capital assets used in governmental activities of the District are recorded at cost. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings	40 years
Improvements	15 – 40 years
Equipment	5 – 7 years
Vehicles	5 – 15 years

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 have not been capitalized. The District's threshold for capitalization is $500, where the asset's estimated useful life is greater than one year.

Subscription-Based IT Agreements

The District obtains the right to use vendor's information technology software through various long-term contracts.

At the commencement of a subscription, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Right-to-use subscription assets' useful lives are determined by the length of the subscription period and are amortized using the straight-line method.

Key estimates and judgments include how the District determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The District uses the market rate of interest at the subscription's inception as the discount rate. The subscription's term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription payable are composed of fixed payments as outlined in the subscription. As of December 31, 2025, the District does not have any agreements requiring this accounting treatment.

2. Summary of Significant Accounting Policies (continued)

Compensated Absences

The District has a policy that allows employees to accumulate unused vacation 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. The District's General Fund is used to liquidate compensated absences of the governmental activities.

Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources.

Net Position and Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, which are not restricted for any project or other purpose. A deficit will require future funding.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

2. Summary of Significant Accounting Policies (continued)

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are 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 Board has provided otherwise in its commitment or assignment actions. The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable. Property tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

2. Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Stewardship, Compliance and Accountability

Budgetary Information

Budgetary Policy – The District Board appoints the Budget Officer. The Budget Officer prepares the budget in accordance with Budget Law, observing legal requirements for content, and format. Prior to October 15, the District Budget Officer submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Directors. At this time a copy of the budget is made available for inspection by the public and notice of the proposed budget is published. Public hearings are held at the regular Board of Directors meetings to obtain taxpayer input.

No later than December 15th of the prior year for the ensuing fiscal year, the Board of Directors must formally adopt the budget, which is legally enacted through passage of a Resolution to Adopt its budget and a Resolution to Appropriate. In 2025, the budget for the General Fund and Bond Fund was adopted, on a budgetary basis. After adopting its budget, but not earlier than December 1st and no later than December 15th the Board of Directors must certify its property tax levy to the Board of County Commissioners.

Appropriations are controlled and the budget is only amended in conformity with Colorado Revised Statutes, which defines three bases for budget amendments; 1) budgetary transfers; 2) adopt a supplemental appropriation, (if there is receipt of unanticipated revenue, other than ad valorem taxes and it is available to meet a contingency); and 3) a downward revision of the appropriation.

Budgetary Data – Budget amounts presented in the General Fund "Statement of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual" reflect the original budget and the amended budget (which has been adjusted for legally authorized revision to the annual budget during the year). All annual appropriations lapse at fiscal year-end.

For the year ended December 31, 2025 actual expenditures in the General Fund exceeded the final budgeted amounts by $31,885, which may be a violation of State statutes.

4. Deposits and Investments

Custodial Credit Risks – Deposits
Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2025, the District had cash deposits with a bank balance of $5,416,010 and a carrying balance of $5,421,803.

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

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

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

COLOTRUST	$ 5,355,239

Custodial Credit Risk – Investments
For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk.

Interest Rate Risk
Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

4. Deposits and Investments (continued)

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

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

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

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

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5. Capital Assets

The following table presents capital assets activity of the District for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Transfers/ Retirements	Balance December 31, 2025
Capital assets, not being depreciated:				
Land	$ 50,000	$ -	$ -	$ 50,000
Construction in progress	68,934	4,318,224	-	4,387,158
Total capital assets, not being depreciated	118,934	4,318,224	-	4,437,158
Capital assets, being depreciated:				
Buildings and improvements	1,090,992	11,546	-	1,102,538
Apparatus	1,895,287	1,885	-	1,897,172
Communications equipment	329,002	-	-	329,002
Protective equipment	309,307	43,419	-	352,726
Other response equipment	313,458	14,907	-	328,365
Office furnishings and equipment	128,546	-	-	128,546
Total capital assets, being depreciated	4,066,592	71,757	-	4,138,349
Less accumulated depreciation for:				
Buildings and improvements	(715,180)	(39,071)	-	(754,251)
Apparatus	(994,917)	(102,661)	-	(1,097,578)
Communications equipment	(310,041)	(6,111)	-	(316,152)
Protective equipment	(104,033)	(39,317)	-	(143,350)
Other response equipment	(251,685)	(19,333)	-	(271,018)
Office furnishings and equipment	(105,335)	(10,973)	-	(116,308)
Total accumulated depreciation	(2,481,191)	(217,466)	-	(2,698,657)
Total capital assets, being depreciated, net	1,585,401	(145,709)	-	1,439,692
Capital assets, net	$ 1,704,335	$ 4,172,515	$ -	$ 5,876,850

6. Long-Term Liabilities

The following table presents long-term liabilities activity of the District for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
General Obligation Bonds, Series 2025	$ -	$ 7,840,000	$ -	$ 7,840,000	$ -
Unamortized Premium on Bonds	-	51,659	718	50,941	1,722
Total Bonds	-	7,891,659	718	7,890,941	1,722
Compensated Absences	2,903	-	-	2,903	-
Total	$ 2,903	$ 7,891,659	$ 718	$ 7,893,844	$ 1,722

General Obligation Bonds, Series 2025

On July 31, 2025, the District issued $7,840,000 of General Obligation Bonds, Series 2025 (the “Bonds”). The Bonds were issued to finance capital improvements, specifically the construction of an emergency access route and related stormwater infrastructure, and to pay costs of issuance. The Bonds are general obligations of the District and are secured by the full faith and credit of the District. The District is authorized to levy ad valorem property taxes, without limitation as to rate, in an amount sufficient to pay principal of and interest on the Bonds when due, subject to voter-approved limitations.

The Bonds are dated July 31, 2025 with a final maturity on December 1, 2055. Interest is payable semiannually on June 1 and December 1, commencing June 1, 2026. Interest rates on the Bonds range from 4.50% to 5.00%. The Bonds were issued at a premium of $51,658, resulting in total proceeds of $7,891,658. The premium is being amortized over the life of the Bonds using the effective interest method.

As of December 31, 2025, debt service requirements through the maturity date of December 31, 2055:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 514,570	$ 514,570
2027	130,000	385,125	515,125
2028	135,000	378,625	513,625
2029	140,000	371,875	511,875
2030	150,000	364,875	514,875
Thereafter	7,285,000	5,532,762	12,817,762
Totals	$ 7,840,000	$ 7,547,832	$ 15,387,832

7. Pensions

The District currently maintains two separate pension plans. One plan is maintained for the volunteer firefighters and another plan for paid personnel.

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer Plan	$ -	$ 98,099	$ 158,130	$ 95,607
FPPA Plan	-	-	118,313	1,610
	$ -	$ 98,099	$ 276,443	$ 97,217

In the Statement of Net Position, all net pension liabilities have been aggregated and separately reported from the net pension asset.

As of December 31, 2025, the deferred inflows and outflows of resources resulting from all pension plans are comprised as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 124,044	$ 89,083
Difference between actual and expected experience	51,459	8,134
Changes in assumptions	18,417	-
Changes in proportionate share	16,400	-
Current-year contributions	66,123	-
Total	$ 276,443	$ 97,217

Deferred outflows of resources of $66,123, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year.

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

Year ending December 31,	
2026	$ (30,172)
2027	(73,854)
2028	13,414
2029	3,762
2030	(9,199)
Thereafter	(17,054)
Total	$ (113,103)

7. Pensions (continued)

FPPA – Statewide Retirement Plan

Plan Description: The Statewide Retirement Plan (SRP) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The SRP assets are included in the Fire & Police Members' Benefit Investment Fund and assets. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund.

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

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Retirement Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

7. Pensions (continued)

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

Employer contributions increased 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2024, members of the SRP plan and their employers were contributing at the rate of 13.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 22.0 percent.

Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2023 to a total of 6.0 percent of pensionable earnings. Employer contributions increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

At December 31, 2025, the District reported a liability of $-0- for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024 is based upon the January 1, 2025 actuarial valuation. The actuarially determined contributions as of December 31, 2024 are based upon the January 1, 2024 actuarial valuation.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2024, the District's proportion was approximately 0.02 percent.

Actuarial assumptions: The actuarial valuations for the District were used to determine the total pension liability for the fiscal year ending. The valuations used the following actuarial assumption and other inputs:

	Actuarial Assumptions
Actuarial Valuation Date	January 1, 2025
Actuarial Method	Entry Age Normal
Long-Term Investment Rate of Return	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments	0%
Includes Inflation at	2.5%

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

7. Pensions (continued)

major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33.0%	7.00%
Equity Long/Short	6.0%	6.20%
Private Markets	34.0%	8.80%
Fixed Income - Rates	7.0%	5.00%
Fixed Income - Credit	7.0%	6.50%
Absolute Return	9.0%	5.70%
Cash	4.0%	4.20%
Total	100.0%	

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

Sensitivity: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	Projected Net Pension (Asset) Liability
1% Decrease to 6%	$ 104,502
Single Discount Rate	$ -
1% Increase to 8%	$ -

7. Pensions (continued)

For the year ended December 31, 2025, the District recognized pension income of $13,470. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 7,310	$ -
Difference between actual and expected experience	51,459	1,610
Changes in assumptions	18,417	-
Changes in proportionate share	16,400	-
Current-year contributions	24,727	-
Total	$ 118,313	$ 1,610

Deferred outflows of resources of $24,727, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year.

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

Year ending December 31,	
2026	$ (23,076)
2027	(33,127)
2028	(4,229)
2029	(5,291)
2030	(9,199)
Thereafter	(17,054)
Total	$ (91,976)

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 8.3043 years determined as of the beginning of the December 31, 2024 measurement period.

<u>Volunteer Firefighter's Pension</u>

Plan Description: The District, on behalf of its volunteer firefighters, contributed to a defined benefit pension plan, which is administered by FPPA. The plan is an agent multiple-employer plan that provides retirement benefits for members and beneficiaries according to the plan provisions. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan.

7. Pensions (continued)

The financial statements of this Plan are prepared using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

At December 31, 2025, the District reported a net pension liability of $98,099 for this Plan. The net pension liability was measured as of December 31, 2024, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2025, the District recognized pension expense (income) of $6,004. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 116,734	$ 89,083
Difference between actual and expected experience	-	6,524
Changes in assumptions	-	-
Current-year contributions	41,396	-
Total	$ 158,130	$ 95,607

Deferred outflows of resources of $41,396 related to contributions subsequent to the measurement date will be recognized as a decrease to net pension liability in the subsequent year.

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

Year ending December 31,	
2026	$ (7,096)
2027	(40,727)
2028	17,643
2029	9,053
2030	-
Thereafter	-
Total	$ (21,127)

7. Pensions (continued)

Actuarial assumptions: The total pension liability and actuarially determined contributions as of the measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2024
Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	20 years
Long-Term Investment Rate of Return	7.00%
Asset Valuation Method	5-Year smoothed fair value
Retirement Age	50% per year of eligibility until 100% at age 65
Includes Inflation at	2.5%

Best estimates of rates of return for each major asset class included in the pension plan's target asset allocation as of the valuation date are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Cash	4.00%	4.2%
Fixed Income – Rates	7.00%	5.0%
Fixed Income – Credit	7.00%	6.5%
Absolute Return	9.00%	5.7%
Long Short	6.00%	6.2%
Global Equity	33.00%	7.0%
Private Markets	34.00%	8.8%
Total	100.0%	

Discount rate: The long-term expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

7. Pensions (continued)

Sensitivity: The following presents the District's net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	Projected Net Pension Liability (Asset)
1% Decrease to 6.0%	$ 280,909
Single Discount Rate	$ 98,099
1% Increase to 8.0%	$ (57,053)

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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 carries commercial insurance coverage for all risks of loss. Claims have not exceeded commercial coverage since inception.

9. TABOR Compliance

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

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 revenues.

9. TABOR Compliance (continued)

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 and qualifications as an Enterprise will require judicial interpretation.

On November 6, 2001, District voters authorized the District to increase property taxes $67,841 in the first year, and annually thereafter, commencing in the tax year 2004, from a current mill levy of 4.913 mills to a maximum 6.00 mill levy in order to upgrade its fire, rescue, and emergency medical equipment and services to provide improved fire protection, fire suppression, and emergency medical services. Additionally, the District voters approved revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending revenue raising or other limitation in 2001 and subsequent years.

On May 6, 2008, the District voters authorized the District to increase taxes by a maximum of $137,564 in the first year and annually thereafter, commencing with taxes collected in 2009, from a mill levy of up to 8.00 mills to maintain the District's ability to provide fire protection, fire suppression, and emergency medical services.

On May 8, 2018, the District voters authorized the District to increase taxes by $112,858 in 2019, and by such amounts thereafter from a total mill levy rate of 9.5 mills with the District's total mill levy rate subject to adjustment to offset refunds, abatement and changes to the percentage of actual valuation used to determine assessed valuation to pay the District's general operations, including fire protection, fire suppression, emergency medical services, capital and other expenses.

GENESEE FIRE PROTECTION DISTRICT

Required Supplementary Information

Genesee Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property tax	$ 1,049,933	$ 1,048,546	$ 1,032,926	$ (15,620)
Specific ownership tax	56,636	69,125	71,184	2,059
Grants and donations	603	10,200	10,000	(200)
Interest and other income	143,300	139,626	137,489	(2,137)
Total Revenues	1,250,472	1,267,497	1,251,599	(15,898)
Expenditures:				
General operations	183,787	145,728	113,271	32,457
Safety and training	38,335	39,039	21,646	17,393
Apparatus and equipment	79,924	83,260	79,188	4,072
Fire station	51,948	35,132	32,804	2,328
Administration	570,819	461,277	443,603	17,674
Contribution to pension fund	70,926	67,278	66,123	1,155
Capital outlay	105,312	69,002	71,758	(2,756)
Total Expenditures	1,101,051	900,716	828,393	72,323
Excess Revenue Over (Under) Expenditures	149,421	366,781	423,206	56,425
Other Financing Sources/Uses:				
Transfers in or (out) to other funds	-	-	(88,310)	(88,310)
Total other sources:	-	-	(88,310)	(88,310)
Excess Other Financing Sources Over (Under) Expenditures	149,421	366,781	334,896	(31,885)
Fund Balance—Beginning of year	466,205	466,205	897,061	430,856
Fund Balance—End of Year	$ 615,626	$ 832,986	$ 1,231,957	$ 398,971

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

Genesee Fire Protection District
Required Supplementary Information
Volunteer Pension Fund
Schedules of Employer Contributions
As of Measurement Period Ended

Measurement Period Ended*	Actuarially Required Contributions	Actual Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2024	$ 55,796	$ 41,396	$ (14,000)	$ -	N/A**
12/31/2023	$ 57,214	$ 57,214	$ -	$ -	N/A**
12/31/2022	$ 57,214	$ 57,214	$ -	$ -	N/A**
12/31/2021	$ 74,517	$ 57,214	$ (17,303)	$ -	N/A**
12/31/2020	$ 60,117	$ 60,117	$ -	$ -	N/A**
12/31/2019	$ 58,512	$ 90,000	$ 31,488	$ -	N/A**
12/31/2018	$ 58,512	$ 104,400	$ 45,888	$ -	N/A**
12/31/2017	$ 63,546	$ 104,400	$ 40,854	$ -	N/A**
12/31/2016	$ 63,546	$ 104,400	$ 40,854	$ -	N/A**
12/31/2015	$ 75,204	$ 104,400	$ 29,196	$ -	N/A**

*** Ratio not applicable (N/A) since payroll is zero due to the plan covering volunteers.*

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

Genesee Fire Protection District
Required Supplementary Information
Statewide Retirement Plan
Schedules of Proportionate Share of the Net Pension Liability and Related Ratios

Measurement Period Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Asset as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Asset
12/31/2024	0.02%	$ (1)	$ 210,687	0.0%	100%
12/31/2023	0.02%	$ 283	$ 233,174	0.1%	97.6%
12/31/2022	0.03%	$ 26,490	$ 259,251	10.2%	97.6%
12/31/2021	0.03%	$ (166,532)	$ 247,376	-67.3%	116.2%
12/31/2020	0.02%	$ (48,382)	$ 178,997	-27.0%	106.7%
12/31/2019	0.02%	$ (13,014)	$ 169,600	-7.7%	101.9%
12/31/2018	0.02%	$ 30,807	$ 163,220	18.9%	95.2%
12/31/2017	0.03%	$ (37,815)	$ 153,744	-24.6%	106.3%
12/31/2016	0.03%	$ 9,224	$ 130,655	7.1%	98.2%
12/31/2015	0.03%	$ (484)	$ 133,017	-0.4%	100.1%

* *The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.*

Genesee Fire Protection District
Required Supplementary Information
Volunteer Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 24,944	$ 24,944	$ 27,654	$ 27,654	$ 31,921	$ 31,921	$ 32,311	$ 32,311	$ 34,583	$ 34,583
Interest	128,056	127,902	125,218	124,471	128,291	127,345	129,229	127,411	125,137	122,768
Difference between expected and actual experience	(16,050)	-	18,831	-	(68,078)	-	(149)	-	(49,271)	-
Changes of assumptions	-	-	10,734	-	-	-	76,255	-	50,845	-
Benefit Payments	(156,587)	(144,888)	(140,715)	(142,178)	(146,950)	(144,585)	(138,007)	(133,042)	(126,780)	(124,785)
Net change in total pension liability	(19,637)	7,958	41,722	9,947	(54,816)	14,681	99,639	26,680	34,514	32,566
Total pension liability - Beginning	1,894,080	1,886,122	1,844,400	1,834,453	1,889,269	1,874,588	1,774,949	1,748,269	1,713,755	1,681,189
Total pension liability - Ending (a)	1,874,443	1,894,080	1,886,122	1,844,400	1,834,453	1,889,269	1,874,588	1,774,949	1,748,269	1,713,755
Plan fiduciary net position										
Employer contributions	41,396	42,814	42,814	42,814	60,117	90,000	90,000	90,000	90,000	90,000
Net investment income	163,092	158,415	(157,687)	258,969	206,723	213,893	1,206	203,886	72,424	25,068
Benefit payments	(156,587)	(144,888)	(140,715)	(142,178)	(146,950)	(144,585)	(138,007)	(133,042)	(126,780)	(124,785)
Administrative expense	(22,450)	(24,701)	(22,332)	(21,299)	(19,165)	(23,536)	(22,504)	(20,659)	(7,652)	(8,451)
State of Colorado supplemental discretionary payment	-	14,400	14,400	14,400	28,800	-	14,400	14,400	14,400	14,400
Net change in plan fiduciary net position	25,451	46,040	(263,520)	152,706	129,525	135,772	(54,905)	154,585	42,392	(3,768)
Plan fiduciary net position - beginning	1,750,893	1,704,853	1,968,373	1,815,667	1,686,142	1,550,370	1,605,275	1,450,690	1,408,298	1,412,066
Plan fiduciary net position - end (b)	1,776,344	1,750,893	1,704,853	1,968,373	1,815,667	1,686,142	1,550,370	1,605,275	1,450,690	1,408,298
District's net pension liability - ending (a)-(b)	98,099	143,187	181,269	(123,973)	18,786	203,127	324,218	169,674	297,579	305,457
Plan fiduciary net position as a percentage of the total pension liability	94.77%	92.44%	90.39%	106.72%	98.98%	89.25%	82.70%	90.44%	82.98%	82.18%

Note: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

GENESEE FIRE PROTECTION DISTRICT

Other Supplementary Information

Genesee Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Bond Fund
December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Interest and other income	$ -	$ 126,946	$ 126,284	$ (662)
Total Revenues	-	126,946	126,284	(662)
Expenditures:				
Capital outlay - EAR Project	-	6,567,000	4,318,224	2,248,776
Total Expenditures	-	6,567,000	4,318,224	2,248,776
Excess Revenue Over (Under) Expenditures	-	(6,440,054)	(4,191,940)	2,248,114
Other financing sources and (uses)				
Bond - Proceeds	-	7,840,000	7,840,000	-
Bond - Premium	-	51,659	51,659	-
Bond - Cost of issuance	-	(204,959)	(204,959)	-
Transfers in or (out) to other funds	-	-	88,310	88,310
Total other financing sources and (	-	7,686,700	7,775,010	88,310
Net Change in Fund Balance	-	1,246,646	3,583,070	2,336,424
Fund Balance—Beginning of year	-	-	-	-
Fund Balance—End of Year	$ -	$ 1,246,646	$ 3,583,070	$ 2,336,424

Genesee Fire Protection District
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied Operations	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied
2016	$ 70,534,863	8.000	$ 564,279	$ 559,284	99.11%
2017	$ 70,242,254	8.000	$ 561,938	$ 556,709	99.07%
2018	$ 75,239,109	8.000	$ 601,913	$ 595,202	98.89%
2019	$ 74,231,834	9.500	$ 705,202	$ 703,250	99.72%
2020	$ 79,133,017	9.500	$ 751,764	$ 750,424	99.82%
2021	$ 79,246,148	9.500	$ 752,838	$ 747,230	99.26%
2022	$ 84,773,674	9.563	$ 810,691	$ 805,090	99.31%
2023	$ 82,299,775	9.794	$ 806,044	$ 805,426	99.92%
2024	$ 103,649,230	10.118	$ 1,048,723	$ 1,123,633	107.14%
2025	$ 103,786,473	10.116	$ 1,049,933	$ 1,032,926	98.38%
Estimated for the year ending December 31, 2026	$ 105,420,347	17.313	$ 1,825,142		