

**GRAND LAKE FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2025**

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Grand Lake Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Grand Lake Fire Protection District as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Grand Lake Fire Protection 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 the major fund of Grand Lake Fire Protection District as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grand Lake Fire Protection 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 opinion.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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, including omissions, 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.

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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 of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Grand Lake Fire Protection 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 Grand Lake Fire Protection 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, Schedule of Revenues, Expenditures and Changes in Fund balances – Budget and Actual General Fund, Schedule of Contributions – Multiyear, Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear, Schedule of the District's Proportionate Share of the Net Pension Liability – FPPA SRP, Schedule of Pension Contributions – FPPA SRP, 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.



Fort Collins, Colorado
July 8, 2026

Management's Discussion and Analysis

Grand Lake Fire Protection District

Management's Discussion and Analysis

Introduction:

Management's Discussion and Analysis is intended to provide the reader and user of our financial statements with a narrative overview of the District's financial activities. Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements and notes to the financial statements, beginning on page 5.

Overview of the Financial Statements of the District:

The audited financial statements of the District are:

- Statement of Net Position
- Statement of Activities
- Balance Sheet – Governmental Fund
- Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund
- Notes to the Financial Statements

The financial statements of the District are presented as a special purpose government engaged in government type activities. These financial statements distinguish between the functions of the District that will be principally supported by taxes. The functions of the District include the provision of fire protection services and emergency services.

The **Statement of Net Position** is prepared using the full accrual basis of accounting, provides information about what is owned (assets) by the District, what is owed (liabilities) by the District, and what is the District's equity in its assets (Net Position). Over time, the comparison of changes in Net Position may provide a useful method of evaluating whether the financial position of the District is improving, deteriorating, or maintaining a status quo.

The **Statement of Activities** provides information about the components – Program Expenses, Program Revenue, General Revenue – of the District's annual operating activities and how those activities affected Net Position.

The **Balance Sheet – Governmental Funds** presents the financial position of the District's funds using the traditional government modified accrual method of accounting, which does not reflect capital assets and debt obligations.

The **Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds** presents the activities of the District's funds using the modified accrual method of accounting which includes expenditures for capital assets and debt service obligations. This method approximates the reporting on a cash basis and closely follows the budgetary method.

The two reconciliations, which accompany these governmental funds statements, provide explanations of the specific differences in these statements as compared to the Statement of Net Position and the Statement of Activities.

The **Notes to Financial Statements** provide additional, required disclosures about the District, its accounting policies and practices, its financial position and operating activities, and other required information. The information included in these notes is essential to a full understanding of the information contained in the financial statements.

Condensed Comparative Financial Information:
Condensed Statement of Net Position

	2025	2024
Current Assets		
Cash and cash equivalents	\$ 2,807,685	\$ 2,849,144
Other current assets	3,798,931	2,583,189
	<u>6,606,616</u>	<u>5,432,333</u>
Non Current Assets		
Capital assets – net	4,510,452	4,528,105
Other	307,808	393,264
Total Assets	<u>11,424,876</u>	<u>10,353,702</u>
Deferred Outflows of Resources	683,048	659,050
Current Liabilities	414,660	485,508
Long Term Liabilities	1,463,623	1,600,701
Total Liabilities	<u>1,878,283</u>	<u>2,086,209</u>
Deferred Inflows of Resources	<u>3,740,331</u>	<u>2,434,428</u>
Net Position		
Net investment in capital assets	2,909,751	2,794,834
Restricted	399,357	484,496
Unrestricted	3,180,202	3,212,785
Total Net Position	<u>\$ 6,489,310</u>	<u>\$ 6,492,115</u>

Condensed Statement of Activities

	2025	2024
Program Expenses		
Fire protection and emergency services	3,060,294	2,418,445
Total Program Expenses	<u>3,060,294</u>	<u>2,418,445</u>
Program Revenues		
Charges for services	472,054	309,791
Grants & contributions	11,476	12,433
Total Program Revenue	<u>483,530</u>	<u>322,224</u>
Net Program Expense	<u>2,576,764</u>	<u>2,096,221</u>
General Revenues	2,573,959	2,817,352
Change in Net Position	(2,805)	721,131
Net Position, Beginning of Year	6,492,115	5,770,984
Net Position, End of Year	<u>\$ 6,489,310</u>	<u>\$ 6,492,115</u>

This foregoing information is a summary of the financial information contained in the District's financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the accompanying audited financial statements beginning on page 7.

Discussion of Financial Position and Operating Activities

The District's Net Position as of December 31, 2025 was \$6,489,310. This is a decrease of \$2,805 from 2024. Capital expenditures are not expensed in this statement.

Unrestricted cash and cash equivalents of the District at December 31, 2025, totaled \$2,807,685, which is a decrease from the previous year.

Capital Assets, net of accumulated depreciation, of the District at December 31, 2025, totaled \$4,510,452 which includes additions of \$342,024 and depreciation of \$359,677.

General revenues were \$2,573,959 and relate primarily to taxes and earnings on investments. See page 6 of the accompanying Financial Statements for details of these revenues and expenses.

Fund Discussion

The General Fund balance increased from \$2,782,557 in 2024 to \$2,841,471 in 2025. The fund balance includes \$91,549 restricted for emergencies in accordance with TABOR requirements. The assets and liabilities are comprised primarily of cash, investments and property tax revenues to be realized in 2025.

The General Fund revenues exceeded expenditures by \$58,914 see page 8 of the accompanying financial statements for the details of the revenues and expenditures.

General Fund Budgetary Discussion

Actual revenues for 2025 were \$443,497 more than the final budget. Actual expenditures for 2025 were \$48,758 less than the final budgeted expenditures primarily because contingency expenses were not required. See page 24 of the accompanying financial statements for more detail. The budget was not amended for the year, as such all numbers are compared to the final budgeted amounts.

Capital Assets and Long-term Obligations

Capital Assets. The District's primary capital assets are buildings and fire suppression equipment. There was one capital asset addition in 2025. There were no disposals of equipment during the year. See Note 3 of the Notes to the Financial Statements on page 14.

Long-term Debt. The only activity in long-term debt was the scheduled payments on the capital leases.

Economic Factors and Next Year's Budget. The District is expecting revenues to remain consistent in the upcoming year. The expenses are projected to remain relatively the same. Other revenues of the district are not expected to fluctuate much in the upcoming year.

Requests for Information. This financial report is designed to provide a general overview of Grand Lake Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District at Grand Lake Fire Protection District, PO Box 1408, 201 W Portal Road, Grand Lake, CO 80447.

Basic Financial Statements

Grand Lake Fire Protection District
Statement of Net Position
December 31, 2025

Assets

Current Assets

Cash and cash equivalents	\$ 2,807,614
Investments	22,689
Prepaid expenses	15,586
Cash at county treasurer	7,384
Accounts receivable	194,507
Property taxes receivable	3,558,836
Total Current Assets	<u>6,606,616</u>

Noncurrent Assets

Net pension asset - Volunteer	307,808
Capital assets	
Non-depreciable	90,115
Depreciable	9,748,081
Less: Accumulated depreciation	<u>(5,327,744)</u>
Net Capital Assets	<u>4,510,452</u>
Total Noncurrent Assets	<u>4,818,260</u>
Total Assets	<u>11,424,876</u>

Deferred Outflows of Resources

FPPA Volunteer Pension	166,363
FPPA SRP Pension	516,685
Total Deferred Outflows of Resources	<u>683,048</u>

Liabilities

Current Liabilities

Accounts payable	44,457
Accrued wages	37,635
Other accrued liabilities	19,854
Accrued compensated absences	175,636
Lease - current portion	137,078
Total Current Liabilities	<u>414,660</u>

Long Term Liabilities

Lease - long-term	1,463,623
Total Long Term Liabilities	<u>1,463,623</u>
Total Liabilities	<u>1,878,283</u>

Deferred Inflows of Resources

Deferred property taxes	3,558,836
FPPA Volunteer Pension	90,560
FPPA SRP Pension	90,935
Total Deferred Inflows of Resources	<u>3,740,331</u>

Net Position

Net investments in capital assets	2,909,751
Restricted for emergencies	91,549
Restricted - pension	307,808
Unrestricted	<u>3,180,202</u>
Total Net Position	<u>\$ 6,489,310</u>

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

		Program Revenues		Net (Expenses) Revenue and Changes in Net Position
Governmental Activities	Expenses	Charges for Service	Operating Grants and Contributions	Governmental Activities
Fire protection and emergency services	\$ 3,060,294	\$ 472,054	\$ 11,476	\$ (2,576,764)
Total Governmental Activities	<u>\$ 3,060,294</u>	<u>\$ 472,054</u>	<u>\$ 11,476</u>	<u>(2,576,764)</u>
General Revenues				
Property taxes				2,319,055
Specific ownership taxes				116,585
Earnings on investments				129,391
Other				8,928
Total Revenues				<u>2,573,959</u>
Change in Net Position				(2,805)
Net Position - Beginning of Year				6,492,115
Net Position - End of Year				<u>\$ 6,489,310</u>

Fund Financial Statements

Grand Lake Fire Protection District
Balance Sheet
December 31, 2025

	<u>General Fund</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 2,807,614
Investments	22,689
Prepaid expenses	15,586
Cash at county treasurer	7,384
Accounts receivable	194,507
Property taxes receivable	3,558,836
Total Assets	<u><u>\$ 6,606,616</u></u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 44,457
Accrued wages	37,635
Other accrued liabilities	19,854
Total Liabilities	<u>101,946</u>
Deferred Inflows of Resources	
Deferred property tax revenue	3,558,836
Unavailable revenues	104,363
Total Deferred Inflows of Resources	<u>3,663,199</u>
Equity	
Fund Balance	
Restricted	91,549
Nonspendable	15,586
Assigned	37,298
Unassigned	2,697,038
Total Fund Balance	<u>2,841,471</u>
Total Liabilities, Fund Balance and Deferred Inflows	<u><u>\$ 6,606,616</u></u>
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	
Amounts reported for governmental funds in the Statement of Net Position are different because:	
Total fund balance	2,841,471
Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	4,510,452
Net pension liability, asset, and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	809,361
Financing leases are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements	(1,600,701)
Revenues that do not provide current financial resources are not reported as deferred inflows of resources in the fund statements and revenues in the government-wide statements.	104,363
Accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements	<u>(175,636)</u>
Total Net Position	<u><u>\$ 6,489,310</u></u>

Grand Lake Fire Protection District
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2025

	<u>General Fund</u>
Revenues	
Property taxes	\$ 2,319,055
Specific ownership taxes	116,585
Earnings on investments	129,391
Contributions	8,014
Charges for services	466,195
Grants	3,462
Other	8,928
Total Revenue	<u>3,051,630</u>
Expenditures	
Wages and benefits	1,884,651
Administration	142,679
Firefighting and rescue operations	315,262
County treasurer fees	116,598
Capital Outlay	342,024
Capital lease payments - principal	132,570
Capital lease payments - interest	58,932
Total Expenditures	<u>2,992,716</u>
Net Change in Fund Balance	58,914
Fund Balance, beginning of year	<u>2,782,557</u>
Fund Balance, end of year	<u><u>\$ 2,841,471</u></u>
 Total Change in Fund Balance Governmental Fund	 \$ 58,914
Depreciation expense reported in the Statement of Activities does not require the use of current financial resources therefore is excluded from the fund statements.	(359,677)
Accrued vacation does not require the use of current financial resources and therefore is not reported in the fund financial statements.	(53,087)
Changes arising from the change in Net pension liability and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	(129,408)
Capital outlay to purchase or build capital assets is reported in governmental funds as an expenditure. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives.	342,024
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	5,859
Payments on capital leases are reported as expenditures on the governmental fund statements but are reported as a reduction of long-term debt on the Statement of Net Position	132,570
Change in Net Position of Governmental Activities	<u><u>\$ (2,805)</u></u>

Grand Lake Fire Protection District
Notes to Financial Statements
December 31, 2025

Note 1 Summary of Significant Accounting Policies

Financial Reporting Entity

In conformance with Governmental Accounting and Financial Reporting Standards, Grand Lake Fire Protection District, (the "District"), is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District within the geographical area organized as the Grand Lake Fire Protection District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent.

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. No other entities have been included in the District's financial statements.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government and exclude the activity of funds that are fiduciary in nature.

The Statement of Net Position presents the financial position of the governmental activities at the end of the year. The Statement of Activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the District, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

Fund Financial Statements

During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting

The accounts of the District are organized on the basis of funds which are considered a separate accounting entity. The District reports the following major governmental fund.

General Fund –is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Measurement Focus and Basis of Accounting

Government-wide Financial Statement

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the District are included in the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources and uses of current financial resources. This approach differs from the manner in which the activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Revenue

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures, which is typically within sixty days of realization. The transactions are classified as operating revenues.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. Revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. These transactions are classified as non-operating revenues.

Property Taxes

The County Treasurer collects and remits property taxes to the District monthly. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied for the current year prior to December 31 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. Property taxes are recorded as receivables and deferred revenue when levied. As taxes are collected, the receivable and deferral are reduced and income is recognized.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 1 Summary of Significant Accounting Policies (Continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Cash and cash equivalents- The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of 90 days or less at the date of their acquisition.

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No allowance for doubtful accounts has been established since the District has the right to place a lien on the property to collect the balance due.

Assets and Liabilities

Capital assets –Capital assets are stated at cost or estimated cost. The capitalization threshold for fixed assets is \$5,000. Depreciation over the estimated useful lives of the assets is computed using the straight-line method. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings and improvements	20-50 years
Vehicles	10-20 years
Equipment	5-10 years

These assets are reported in the government-wide Statement of Net Position but are not reported in the fund financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term debt obligations are not recognized as a liability on the governmental fund financial statements but instead are recorded when paid.

Compensated absences represent the accumulated unpaid vacation time, and sick time expected to be used in the upcoming year accrued by the employees. Upon termination of employment each employee will be compensated for their unused vacation time at their current rate of pay up to a maximum of 480 to 624 hours, dependent on years of service. There is no payment for sick time upon termination of employment. In the government fund unpaid vacation is not expected to be paid from current resources and therefore is not accrued. Unpaid vacation is reported as a liability on the government-wide financial statements. The net change in compensated absences was \$53,087 for the year ended.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 1 Summary of Significant Accounting Policies (Continued)

Deferred Outflows / Inflows of Resources

The District implemented the provisions of GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB 63) and the provisions of GASB No. 65 Items Previously Reported as Assets and Liabilities (GASB 65). As a result in addition to assets, liabilities and net position, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Net Position

Equity is classified as net position and displayed in three components:

- a. Net investments in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.
- c. Unrestricted Net Position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net position are available for future operations or distributions.

Fund Balance

Nonspendable- consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance was \$15,586 relating to prepaid expenses as of December 31, 2025.

Restricted - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the District to establish Emergency reserves (see Note 5). A reservation of \$91,549 of the General Fund balance has been made in compliance with this requirement.

Committed- General Fund - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors formally removes or changes the specified uses. The District had a committed fund balance of \$0 as of December 31, 2025.

Assigned – Includes all amounts that are constrained by the District’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Directors. As of December 31, 2025, the assigned fund balance was \$37,298 relating to scholarships and member assistance.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 1 Summary of Significant Accounting Policies (Continued)

Unassigned- consists of the residual classification for the fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

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 and Budgetary Accounting

Budgets are adopted on a cash basis except for accrual of current vendor invoices. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The District Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District Board or revised by the District Board.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2025, the District's cash deposits had a carrying balance of \$243,768 with corresponding bank balance of \$247,330 of which \$247,330 is federally insured. The District did not have any deposits which are in excess of FDIC coverage. Deposits in excess of FDIC coverage are collateralized under the Colorado Public Deposit Protection Act. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all 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 uninsured deposits.

The Colorado Divisions of Banking 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.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 2 Cash and Investments (Continued)

Investments

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

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

The District had \$22,689 invested in certificates of deposit with United Business Bank with maturities ranging from 12 – 24 months as of December 31, 2025, which were not rated.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's deposit policy is in accordance with State statute. As of December 31, 2025, none of the District's deposits were exposed to custodial credit risk.

At December 31, 2025, the District had \$2,563,846 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 offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+ - The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. 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 section 24-75-601, C.R.S., as amended.

COLOTRUST EDGE - The Trust operates similarly to a money market fund and each share is equal in value to \$10.00. The portfolio may invest in U.S. Treasury securities and 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 is rated AAAM by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 2 Cash and Investments (Continued)

Interest Rate Risk

Colorado statutes require that no investment may have a maturity in excess of five years from the date of purchase, unless an available active market exists. The District's investment portfolio does not contain investments that exceed that limitation of five years. A summary of cash and cash equivalents at December 31, 2025, is as follows:

Cash deposits	\$ 243,768
Colostrust	2,563,846
Total cash and cash equivalents	\$ 2,807,614

Note 3 Capital Assets

	Balance at 12/31/2024	Additions	Deletions	Balance at 12/31/2025
Non-Depreciable				
Land	\$ 90,115	\$ -	\$ -	\$ 90,115
Construction in progress	181,735	9,565	(191,300)	-
Total Non-Depreciable	271,850	9,565	(191,300)	90,115
Depreciable				
Buildings and improvements	3,806,834	-	-	3,806,834
Firetrucks and equipment	5,417,488	523,759	-	5,941,247
Total Depreciable	9,224,322	523,759	-	9,748,081
Less Accumulated Depreciation				
Buildings and improvements	(1,869,104)	(82,938)	-	(1,952,042)
Firetrucks and equipment	(3,098,963)	(276,739)	-	(3,375,702)
Total Accumulated Depreciation	(4,968,067)	(359,677)	-	(5,327,744)
Net Capital Assets	\$ 4,528,105	\$ 173,647	\$ (191,300)	\$ 4,510,452

Depreciation expense has been allocated to the various activities as follows:

Firefighting and rescue operations	\$ 359,677
Total depreciation charged to expense	\$ 359,677

Note 4 Long-Term Obligations

On February 18, 2020, and subsequently amended on December 8, 2020, the District entered into a financing agreement with PNC Equipment Finance, LLC (lessor) in the principal amount of \$2,224,962. Proceeds were used to acquire a rescue pumper, aerial ladder truck, and related equipment (the equipment). Payments, including interest calculated at 3.68%, in the amount of \$191,502 are due annually in February through 2035. The financing agreement is secured by the equipment, which transfers to the District following fulfillment of the financing agreement terms. The financing agreement contains various covenants and representations that are usual and customary for municipal financing. Events of default include failure to make payments when due, declaration of bankruptcy by the District, or violation of any covenant. The lessor's remedies include declaring the entire unpaid portion of the agreement to be immediately paid, sale of the equipment with proceeds paid to lessor, and requiring return of the

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 4 Long-Term Obligations (Continued)

pumper and attached equipment. As of December 31, 2025 changes related to the lease are below and net asset value of the items collateralized under the lease was \$1,568,563.

	Balance 12/31/2024	Additions	Payments	Balance 12/31/2025	Amount due within one year
PNC financing agreement	\$ 1,733,271	\$ -	\$ (132,570)	\$ 1,600,701	\$ 137,078
Total	\$ 1,733,271	\$ -	\$ (132,570)	\$ 1,600,701	\$ 137,078

The future minimum payments on the long-term obligations are as follows:

	Principal	Interest	Total
2026	\$ 137,078	\$ 54,423	\$ 191,501
2027	141,738	49,763	191,501
2028	146,558	44,943	191,501
2029	151,540	39,961	191,501
2030	156,693	34,808	191,501
2031-2035	867,094	90,414	957,508
Total	\$1,600,701	\$ 314,312	\$1,915,013

Note 5 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado Constitution, The Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

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

TABOR requires local governments to establish emergency reserves, which 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. This District had an emergency reserve of \$91,549 as of December 31, 2025.

Note 6 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District maintains commercial insurance to mitigate their risks of loss. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 7 Pension Plans

Volunteer Fireman's Pension Plan

The District has established an single-employer defined benefit pension plan for volunteer firefighters (the "Plan") as authorized by the State of Colorado statute. The Plan is administered by the FPPA. Any firefighter who has both attained the age of 50 and completed 20 years of active service shall be eligible for monthly pension. A lesser pension is available after 10 years of active service. A firefighter, who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the pension Board of Directors. The annual financial report of FPPA may be obtained by contacting FPPA at 5290 DTC Parkway, Suite 100, Greenwood Village, CO 80111-2721. The plan consists of 13 retirees, 5 active members and 0 inactive non-retired members.

The Plan receives contributions from the District based on amounts determined by the pension board. As established by the legislature, the State of Colorado contributes 90% of the District's contribution. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. For the year ended December 31, 2025, the District contributed \$0. For the year ended December 31, 2024 the District contributed \$0 and the State contributed \$0 which was equal or greater than the required contributions to the Plan.

The plan provides retirement benefits as established by the pension fund's board of trustees which is comprised of the five directors of the district and two district volunteer firefighters. The pension board is responsible for establishing and amending benefit terms. Volunteers right to a benefit vests after 10 years and there are no forfeiture rules. Upon retirement, beneficiaries receive \$45 per month for every year of service over 10 years, up to 20 years of service.

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

At December 31, 2025, the Department reported an asset of \$307,808 for its net pension liability / (asset). The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For the year ended December 31, 2025, the Department recognized pension expense / (income) of \$80,073. At December 31, 2025, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 7 Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$8,442	\$0
Changes in assumptions	41,478	0
Net difference between actual and projected earnings on pension plan investments	116,443	0
Department contributions subsequent to the measurement date	0	90,560
Total	\$166,363	\$90,560

\$0 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Deferred outflows / inflows of resources to be amortized are as follows:

<u>Year Ending</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
2026	62,439
2027	40,408
2028	(17,815)
2029	(9,229)
2030	-
Thereafter	-
Total	75,803

Actuarial assumptions. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	N/A
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

On-duty related mortality is assumed to be 0.00020 per year for all members. The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2018. As a result of the 2018 actuarial experience study, the main actuarial factor changes were:

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 7 Pension Plans (Continued)

- Decreased investment rate of return from 7.00%
- Revised the mortality rates

Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash	4%	4.2%
Fixed Income – Rates	7%	5.0%
Fixed Income - Credit	7%	6.5%
Diversifiers	9%	5.7%
Long Short	6%	6.2%
Global Public Equity	33%	7.0%
Private Markets	34%	8.8%
Total	100%	

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. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2024, are summarized in the above table.

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 Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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 of the Department's proportionate share of the net pension liability to changes in the discount rate. The following presents the Department's net pension liability/(asset) calculated using the discount rate of 6.00 percent, as well as what the Department's net pension liability/(Asset) would be if it were calculated using a discount rate that is 1-percentagepoint lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate:

**Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025**

Note 7 Pension Plans (Continued)

	1.00% Decrease	Current Discount Rate*	1.00% Increase
Department's net pension liability/(asset)	\$(171,132)	\$(307,808)	\$(423,940)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Statewide Retirement Plan

The District contributes to the Statewide Retirement Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Retirement Plan (SRP) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid police officers of the District are members of the Statewide Retirement Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the District to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Retirement Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits

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. The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to ten years plus 1.25 percent of the average thereafter.

A member is eligible for an early retirement at age 50 with at least five years of credited service or after 30 years of 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' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 7 Pension Plans (Continued)

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SRP plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Members of the SRP plan and their employers contributing at the rate of 12 percent and 9.50 percent, respectively, of base salary for a total contribution rate of 21.5 percent in 2024. In 2014, the members elected to increase the member contribution rate to the SRP plan beginning in 2016. Member contribution rates will increase 0.5 percent annually through 2024 to a total of 12 percent of base salary. Employer contributions will increase .5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. Contributions to the SRP plan from the District were \$99,212 for the year ended December 31, 2025.

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

At December 31, 2025, the District reported a liability of \$0 for its proportionate share of the net pension liability (asset). The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2024, the District's proportion was .0819479251 percent, which was a decrease of .0068190212 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension income of (\$77,454). 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
Differences between actual and expected experience	\$196,920	\$6,160
Changes in assumptions	70,476	0
Net difference between actual and projected earnings on pension plan investments	27,974	0
Net impact in change in proportionate share	122,103	84,775
Contributions subsequent to the measurement date	99,212	0
Total	\$516,685	\$ 90,935

\$99,212 in total reported as deferred outflows of resources related to pension resulting from District's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 7 Pension Plans (Continued)

Year Ended	Pension Expense
2026	\$ 80,059
2027	118,646
2028	8,048
2029	12,238
2030	43,685
Thereafter	63,862
Total	<u>\$ 326,538</u>

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Total Pension Liability January 1, 2025	Actuarial Determined Contributions January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25-11.25%	4.25-11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability, 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.

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 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial calculations 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.

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 7 Pension Plans (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	33%	7.00 %
Equity Long/Short	6%	6.20 %
Private Markets	34%	8.80 %
Fixed Income - Rates	7%	5.00 %
Fixed Income - Credit	7%	6.50 %
Absolute Return	9%	5.70 %
Cash	4%	4.20 %
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA 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.

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

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

Grand Lake Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2025

Note 7 Pension Plans (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

<u>Discount Rate:</u>	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Proportionate share of the net pension liability (asset)	<u>\$ 399,899</u>	<u>\$0</u>	<u>\$0</u>

Pension Plan Fiduciary Net Position

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

Note 8 Voluntary Investment Program

Description. Effective May 1, 2010 employees of the District who are members of the SRP (see Note 8) may voluntarily contribute to the Voluntary Investment Program ("457 Plan"), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is optional, and contributions are separate from others made to FPPA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 457 Plan provisions to the State Legislature.

Funding Policy. The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$22,500 for the calendar year 2025). Catch-up contributions up to \$7,500 for 2025 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v). For the years ended December 31, 2025 and 2024-member pre- tax contributions were 79,160 and \$79,306, respectively.

Required Supplementary Information

Grand Lake Fire Protection District
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual General Fund
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with final budget favorable (unfavorable)
Revenues			
Property taxes	\$ 2,320,883	\$ 2,319,055	\$ (1,828)
Specific ownership taxes	100,000	116,585	16,585
Earnings on investments	100,000	129,391	29,391
Contributions	-	8,014	8,014
Charges for services	85,000	466,195	381,195
Grants and other donations	-	3,462	3,462
Other	2,250	8,928	6,678
Total Revenue	<u>2,608,133</u>	<u>3,051,630</u>	<u>443,497</u>
Expenditures			
Operations:			
Wages and benefits	1,714,800	1,884,651	(169,851)
Administration	257,450	142,679	114,771
Firefighting and rescue operations	109,519	315,262	(205,743)
County treasurer fees	109,205	116,598	(7,393)
Capital outlay	340,000	342,024	(2,024)
Capital lease payments	234,500	191,502	42,998
Contingency	276,000	-	276,000
Total Expenditures	<u>3,041,474</u>	<u>2,992,716</u>	<u>48,758</u>
Net Change in Fund Balance	<u>\$ (433,341)</u>	58,914	<u>\$ 492,255</u>
Fund Balance, beginning of year		<u>2,782,557</u>	
Fund Balance, end of year		<u>\$ 2,841,471</u>	

**Grand Lake Fire Protection District
Schedule of Contributions Multiyear
Last 10 Fiscal Years**

FY Ending December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2024	\$ -	\$ -	\$ -	N/A	N/A
2023	\$ -	\$ -	\$ -	N/A	N/A
2022	\$ -	\$ -	\$ -	N/A	N/A
2021	\$ -	\$ -	\$ -	N/A	N/A
2020	\$ -	\$ -	\$ -	N/A	N/A
2019	\$ -	\$ -	\$ -	N/A	N/A
2018	\$ -	\$ -	\$ -	N/A	N/A
2017	\$ -	\$ -	\$ -	N/A	N/A
2016	\$ -	\$ -	\$ -	N/A	N/A
2015	\$ -	\$ -	\$ -	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Notes to the Schedule of Contributions

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2025, determines the contribution amounts for 2025 and 2026.

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 market
Inflation	2.50%
Salary Increases	N/A
Rate of Return	7.00%
Retirement Age	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality
Mortality	Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
	Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

Grand Lake Fire Protection District
Required Supplementary Information
Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear
Last 10 Fiscal Years

Measurement date December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 13,368	\$ 13,368	\$ 21,344	\$ 21,344	\$ 2,829	\$ 2,829	\$ 9,223	\$ 9,223	\$ 7,752	\$ 7,752
Interest	88,162	89,802	81,772	82,892	74,668	76,603	81,739	82,379	85,833	85,797
Changes of benefit terms	-	-	123,014	-	128,966	-	-	-	-	-
Differences between expected and actual experience	23,635	-	13,350	-	15,167	-	(22,175)	-	(76,044)	-
Changes of assumptions	116,132	-	5,221	-	-	-	41,105	-	36,401	-
Benefit payments, including refunds of employee contributions	(127,160)	(126,060)	(126,060)	(114,600)	(111,933)	(102,380)	(102,060)	(98,301)	(103,050)	(83,420)
Net Change in Total Pension Liability	114,137	(22,890)	118,641	(10,364)	109,697	(22,948)	7,832	(6,699)	(49,108)	10,129
Total Pension Liability -Beginning	1,315,395	1,338,285	1,219,644	1,230,008	1,120,311	1,143,259	1,135,427	1,142,126	1,191,234	1,181,105
Total Pension Liability - Ending	1,429,532	1,315,395	1,338,285	1,219,644	1,230,008	1,120,311	1,143,259	1,135,427	1,142,126	1,191,234
Plan Fiduciary Net Position										
Contributions - Employer	-	-	-	-	-	-	-	-	-	-
Net investment income	161,199	156,347	(157,386)	263,537	215,180	225,559	1,420	227,386	83,709	30,228
Benefit payments, including refunds of employee contributions	(127,160)	(126,060)	(126,060)	(114,600)	(111,933)	(102,380)	(102,060)	(98,301)	(103,050)	(83,420)
Administrative expense	(5,358)	(7,925)	(4,934)	(6,801)	(4,496)	(5,606)	(4,088)	(4,209)	(2,775)	(4,707)
State of Colorado supplemental discretionary payments	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Positions	28,681	22,362	(288,380)	142,136	98,751	117,573	(104,728)	124,876	(22,116)	(57,899)
Plan Fiduciary Net Position - Beginning	1,708,659	1,686,297	1,974,677	1,832,541	1,733,790	1,616,217	1,720,945	1,596,069	1,618,185	1,676,084
Plan Fiduciary Net Position - Ending	1,737,340	1,708,659	1,686,297	1,974,677	1,832,541	1,733,790	1,616,217	1,720,945	1,596,069	1,618,185
Net Pension liability - Ending	(307,808)	(393,264)	(348,012)	(755,033)	(602,533)	(613,479)	(472,958)	(585,518)	(453,943)	(426,951)
Plan fiduciary net position as a percentage of the total pension liability	121.53%	129.90%	126.00%	161.91%	148.99%	154.76%	141.37%	151.57%	139.75%	135.84%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Grand Lake Fire Protection District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability - FPPA SWDB
Last 10 Fiscal Years *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability / asset	0.0819479251%	0.0887669463%	0.1005169267%	0.1129161209%	0.1291133742%	0.0664183500%	0.0589957760%	0.0612018110%	0.0587529830%	0.0587027980%
District's proportional share of the net pension liability (asset)	\$ -	\$ -	\$ 89,220	\$ (611,931)	\$ (280,306)	\$ (37,564)	\$ 74,587	\$ (88,048)	\$ 21,230	\$ (1,035)
District's percentage of net pension liability (asset) as a percent of covered payroll	0.00%	0.00%	10.20%	-67.32%	-27.03%	-7.67%	18.87%	-27.81%	8.16%	-0.38%
District's covered payroll	944,875	872,137	874,511	909,000	1,037,050	489,530	395,191	316,588	260,296	274,113
Total pension liability	4,716,284,644	4,212,130,287	3,752,109,029	3,352,605,624	3,230,485,701	2,919,378,738	2,653,120,261	2,269,410,684	2,021,526,883	1,846,961,999
Plan fiduciary net position	4,716,284,644	4,212,130,287	3,663,348,061	3,894,539,387	3,447,586,098	2,975,935,079	2,526,692,808	2,413,276,447	1,985,393,043	1,848,724,853
Net pension liability (asset)	\$ -	\$ -	\$ 88,760,968	\$ (541,933,763)	\$ (217,100,397)	\$ (56,556,341)	\$ 126,427,453	\$ (143,865,763)	\$ 36,133,840	\$ (1,762,854)
Plan fiduciary net position as a percentage of the total pension	100.0%	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%

* This report is intended to show 10 years of data. Additional years will be shown as the information becomes available.

Grand Lake Fire Protection District
Schedule of Contributions Multiyear - FPPA SWDB
Last 10 Fiscal Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2025	\$ 99,212	\$ 99,212	\$ -	\$ 944,875	10.50%
2024	86,491	86,491	-	864,906	10.00%
2023	82,853	82,853	-	872,137	9.50%
2022	78,706	78,706	-	874,511	9.00%
2021	77,265	77,265	-	909,000	8.50%
2020	82,964	82,964	-	1,037,050	8.00%
2019	39,162	39,162	-	489,530	8.00%
2018	31,615	31,615	-	395,191	8.00%
2017	25,327	25,327	-	316,588	8.00%
2016	20,824	20,824	-	260,296	8.00%

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Notes to the Schedule of Contributions

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2025, determines the contribution amounts for 2025 and 2026.