GRAND FIRE PROTECTION DISTRICT NO. 1
Grand County, Colorado

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2025

GRAND FIRE PROTECTION DISTRICT NO. 1

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grand Fire Protection District No. 1
Grand County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Grand Fire Protection District No. 1 (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 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 thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through X and pension information on pages 36 through 39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

Fiscal Focus Partners, LLC

Arvada, Colorado

June 8, 2026

Grand Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Grand Fire Protection District No. 1's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the basic financial statements and the notes to financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $12,697,990 (net position). Of this amount, $2,921,276 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens and creditors.

- The District's total net position increased by $1,723,248 over the prior fiscal year.

- General fund and related activity remained consistent to prior year, with the following changes:

    - General fund revenue increased $1,485,339 from the prior year, primarily as a result of increased property tax, wildland fire assignments and code enforcement revenue.

    - General fund capital expenditures increased approximately $723,000 to $864,858 from the prior year as a result of specialized vehicle purchases.

    - General fund capital-related long-term debt decreased by principal payments made of $160,000.

- The general fund ending fund balance was $4,438,108, an increase of $1,246,321.

Effective January 1, 2015, the District and all other state and local governments throughout the nation that provide their employees with pension benefits, were required to apply GASB Statement No. 68 to their financial statements. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit pension plan administered by the Colorado Fire and Police Pension Association. It is important to note that the District does not have a responsibility to pay the amount shown as the District's net pension liability, nor receive a benefit from any net pension asset. The District's direct liability is limited to the annually required contributions established by the State Legislature. In addition, the District does not have any control over the investment policies associated with FPPA investments. These responsibilities lie solely with the FPPA board and administration. Decisions regarding the plan benefit design and the funding policies lie solely with the State Legislature. Please refer to Note 7 within the Notes to Financial Statements section of this report starting on page 20.

The District also sponsors a defined benefit plan for volunteers which is subject to GASB 68. Information related to the plan can be found in Note 8 within the Notes to Financial Statements section of this report starting on page 27.

Overview of the Financial Statements

Grand Fire Protection District No. 1's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

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

The S*tatement of Net Position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The governmental activities of the District include fire, rescue and emergency services within its boundaries. In addition, the District maintains mutual aid and automatic aid agreements with adjacent fire protection districts. Other activities include fire prevention and fire safety education, fire training, fire inspections and plan reviews.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Grand Fire Protection District No. 1, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

Grand Fire Protection District No. 1 maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget for each of the funds described above. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-8 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 9-33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. A budgetary comparison for the debt service fund can be found on page 40 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of Grand Fire Protection District No. 1, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $12,697,990 at the close of the most recent fiscal year.

Net Position

	Governmental Activities	
	2025	**2024**
Current assets	$ 8,551,455	$ 7,340,701
Capital assets	16,077,269	15,823,190
Total assets	24,628,724	23,163,891
Deferred outflows of resources	546,151	424,477
Current liabilities	428,367	548,121
Pension liabilities	983,749	858,171
Long-term obligations	7,242,989	7,755,390
Total liabilities	8,655,105	9,161,682
Deferred inflows of resources	3,821,780	3,451,944
Net position:		
Net investment in capital assets	8,834,280	8,067,800
Restricted	942,434	1,229,973
Unrestricted	2,921,276	1,676,969
Net position	$ 12,697,990	$ 10,974,742

The District has 70% of its net position invested in capital assets (e.g., property, plant, and equipment); 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, this net position is *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $2,921,276 (23%) may be used to meet the District's ongoing obligations to citizens and creditors.

Grand Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Statement of Activities

	For the Years Ended December 31, 2025	2024
Revenues		
Program revenues		
Operating grants and contributions	$ 297,643	$ 120,287
Wildland fire assignments	707,590	375,413
Code enforcement	153,868	108,313
General revenues		
Property taxes	3,379,087	3,525,482
Specific ownership taxes	178,493	157,956
Fire impact fees	480,240	164,228
Interest and other	576,367	404,442
Total revenues	5,773,288	4,856,121
Expenses		
General and administrative	1,861,185	1,520,206
Pension contribution/expense	199,341	1,551
Operating and communications	699,582	482,071
Repairs, maintenance and other	264,876	202,007
Collaboration costs	220,084	70,000
Grant expenditures	46,773	28,931
Depreciation and amortization	609,714	492,353
Bond interest expense and related debt service costs	148,485	313,821
Total expenses	4,050,040	3,110,940
Change in net position	1,723,248	1,745,181
Net position - beginning	10,974,742	9,229,561
Net position - ending	$ 12,697,990	$ 10,974,742

Financial Analysis of the Government's Funds

As noted earlier, Grand Fire Protection District No. 1 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2025, the District's governmental funds reported a combined ending fund balance of $4,555,455, an increase of $943,905 in comparison with the prior year. The general fund balance increased $1,246,321 while the debt service fund decreased $(302,416).

General Fund Budgetary Highlights

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The Board of Directors can only amend appropriation resolutions upon completion of notification and publication requirements. The District amended its budget during 2025.

General fund revenues were more than budgeted by $305,492. General Fund expenditures were less than budgeted by $220,125.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for governmental activities as of December 31, 2025 amounts to $16,077,269 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, furniture and equipment.

Capital Assets, net of Depreciation

	December 31, 2025	December 31, 2024
Land and improvements	$ 1,149,262	$ 1,149,262
Buildings and improvements	12,973,776	13,076,837
Vehicles	1,683,241	1,384,952
Equipment, furniture & fixtures	270,990	212,139
Total	$ 16,077,269	$ 15,823,190

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

Debt Administration. As of December 31, 2025, the District had general obligation bonded debt outstanding of $0, and certificates of participation outstanding of $6,565,000.

Additional detail on the District's debt is in Note 5 of this report.

Economic Factors and Next Year's Budget

New growth is expected to continue throughout the District during 2026. Conservative budgeting and spending will continue. The 2026 budget includes capital expenditures related to the purchase of additional apparatus and equipment.

The District anticipates requiring expenditure of $518,509 of fund balances to fund appropriated expenditures.

Requests for Information

This financial report is designed to provide a general overview of Grand Fire Protection District No 1's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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BASIC FINANCIAL STATEMENTS

GRAND FIRE PROTECTION DISTRICT NO. 1

STATEMENT OF NET POSITION

December 31, 2025

		Governmental Activities
ASSETS		
Cash and investments	$	3,329,586
Cash and investments - restricted		942,434
Accounts receivable		510,283
Accounts receivable - treasurer		10,793
Prepaid expenses		103,523
Property taxes receivable		3,654,836
Capital assets, not being depreciated		1,149,262
Capital assets, being depreciated, net		14,928,007
Total assets		24,628,724
DEFFERED OUTFLOWS OF RESOURCES		
Pension related amounts - FPPA volunteer pension fund		171,769
Pension related amounts - FPPA statewide retirement plan		374,382
Total deferred outflows of resources		546,151
LIABILITIES		
Accounts payable		97,436
Accrued interest on long-term debt		13,490
Funds held in agency-South Station		243,728
Net pension liability - FPPA volunteer pension fund		983,749
Compensated absences		73,713
Long-term debt		
Due within one year		220,559
Due in more than one year		7,022,430
Total liabilities		8,655,105
DEFERRED INFLOWS OF RESOURCES		
Pension related amounts - FPPA volunteer pension fund		1,700
Pension related amounts - FPPA statewide retirement plan		165,244
Deferred property taxes		3,654,836
Total deferred inflows of resources		3,821,780
NET POSITION		
Net investment in capital assets		8,834,280
Restricted for:		
Emergencies		112,000
Fire impact expenditures		713,087
Debt service		117,347
Unrestricted		2,921,276
Total net position	$	12,697,990

The accompanying Notes to Financial Statements are an integral part of these statements.

GRAND FIRE PROTECTION DISTRICT NO. 1

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

		Program Revenues			
Functions/Programs:	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Total**
Primary government					
Human resources	$ (1,470,461)	$ -	$ -	$ -	$ (1,470,461)
Administration	(390,724)	-	-	-	(390,724)
Pension expense	(199,341)	-	-	-	(199,341)
Operations	(621,124)	861,458	15,198	-	255,532
Communications	(78,458)	-	-	-	(78,458)
Building repair	(155,534)	-	-	-	(155,534)
Equipment repair	(109,342)	-	-	-	(109,342)
Collaboration costs	(220,084)	-	-	-	(220,084)
Grants and contributions	(46,773)	-	282,445	-	235,672
Depreciation expense (unallocated)	(609,714)	-	-	-	(609,714)
Interest on long-term debt and related costs	(148,485)	-	-	-	(148,485)
Total governmental activities	$ (4,050,040)	$ 861,458	$ 297,643	$ -	(2,890,939)
		General Revenues:			
		Property taxes			3,379,087
		Specific ownership taxes			178,493
		Fire impact fees			480,240
		Interest earnings			189,905
		Other			386,462
		Total general revenues			4,614,187
		Change in net position			1,723,248
		Net position - beginning			10,974,742
		Net position - ending			$ 12,697,990

The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No. 1

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and investments	$ 3,329,586	$ -	$ 3,329,586
Cash and investments - restricted	825,087	117,347	942,434
Accounts receivable	510,283	-	510,283
Accounts receivable - treasurer	10,793	-	10,793
Prepaid expenses	103,523	-	103,523
Property taxes receivable	3,654,836	-	3,654,836
Total assets	$ 8,434,108	$ 117,347	$ 8,551,455
LIABILITIES			
Accounts and retainage payable	$ 97,436	$ -	$ 97,436
Funds held in agency - South Station	243,728	-	243,728
Total liabilities	341,164	-	341,164
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	3,654,836	-	3,654,836
Total deferred inflows of resources	3,654,836	-	3,654,836
FUND BALANCES			
Nonspendable:			
Prepaids	103,523	-	103,523
Restricted for:			
Debt service	-	117,347	117,347
Emergency reserves	112,000	-	112,000
Fire impact expenditures	713,087	-	713,087
Assigned for:			
Subsequent year expenditures	518,509	-	518,509
Unassigned	2,990,989	-	2,990,989
Total fund balances	4,438,108	117,347	4,555,455
Total liabilities, deferred inflows of resources, and fund balances	$ 8,434,108	$ 117,347	

Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Capital assets, net	16,077,269
Deferred outflows and inflows of resources that represent acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the funds.	
Deferred outflows - pension related	546,151
Deferred inflows - pension related	(166,944)
Long-term liabilities, including bonds payable and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable	(73,713)
COPS payable, net	(7,242,989)
Net pension liability - volunteer pension plan	(983,749)
Accrued interest payable	(13,490)
Net position of governmental activities	$ 12,697,990

The accompanying Notes to Financial Statements are an integral part of these statements.

GRAND FIRE PROTECTION DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds

For the year ended December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
General property taxes	$ 3,379,087	$ -	$ 3,379,087
Specific ownership taxes	178,493	-	178,493
Fire impact fees	480,240	-	480,240
Wildland fire assignments	707,590	-	707,590
Code enforcement	153,868	-	153,868
Grant revenue	282,445	-	282,445
Donations	15,198	-	15,198
Interest income	188,569	1,336	189,905
Other	386,462	-	386,462
Total revenues	5,771,952	1,336	5,773,288
EXPENDITURES			
Human resources	1,453,551	-	1,453,551
Administration	389,657	2	389,659
Pension contribution	90,000	-	90,000
Operations	621,124	-	621,124
Grant expenditures	46,773	-	46,773
Communications	78,458	-	78,458
Facility expenses	155,534	-	155,534
Equipment repairs and maintenance	109,342	-	109,342
Collaboration costs	220,084	-	220,084
Capital expenditures	864,858	-	864,858
Debt Service			
Bond principal	-	300,000	300,000
Bond interest	-	3,750	3,750
COPS principal	160,000	-	160,000
COPS interest	336,250	-	336,250
Total expenditures	4,525,631	303,752	4,829,383
Net change in fund balance	1,246,321	(302,416)	943,905
FUND BALANCES - Beginning of year	3,191,787	419,763	3,611,550
FUND BALANCES - End of year	$ 4,438,108	$ 117,347	$ 4,555,455

The accompanying Notes to Financial Statements are an integral part of these statements.

GRAND FIRE PROTECTION DISTRICT NO. 1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

Net change in fund balance - total governmental funds	$	943,905
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures		864,858
Depreciation expense		(609,714)
Gain on asset sale		(1,065)
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Bond principal payments		300,000
COPS principal payments		160,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.		
Amortization of bond premium		609
Amortization of cost of refunding		(1,979)
Amortization of COPS premium		51,792
Pension expense		(109,341)
Compensated absences - change in liability		(16,910)
Interest expense - change in accrued interest		141,093
Change in net position of governmental activities	$	1,723,248

The accompanying Notes to Financial Statements are an integral part of these statements.

GRAND FIRE PROTECTION DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

General Fund

For the year ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General property taxes	$ 3,392,416	$ 3,391,566	$ 3,379,087	$ (12,479)
Specific ownership taxes	90,000	168,435	178,493	10,058
Interest income	136,593	158,262	188,569	30,307
Fire Impact	100,000	450,516	480,240	29,724
Wildland fire assignments	250,000	544,744	707,590	162,846
Code enforcement	90,000	130,443	153,868	23,425
Grant income	165,000	282,445	282,445	-
Donations	-	15,194	15,198	4
Other	344,750	324,855	386,462	61,607
Total revenues	4,568,759	5,466,460	5,771,952	305,492
EXPENDITURES				
Human resources				
Salaries and wages	1,105,000	1,045,856	1,054,298	(8,442)
Payroll taxes	25,000	32,601	32,779	(178)
Payroll benefits	365,000	631,832	354,672	277,160
Payroll expenses	600	2,381	4,599	(2,218)
Firefight health and wellness	5,000	2,066	2,066	-
Recruitment and incentives	15,000	5,057	5,137	(80)
Total human resources	1,515,600	1,719,793	1,453,551	266,242
Administration				
Legal, accounting and audit	60,000	42,568	43,167	(599)
County treasurer fees	169,621	169,933	169,724	209
Office and miscellaneous	15,000	10,976	17,530	(6,554)
Dues and subscriptions	30,000	31,857	34,032	(2,175)
Insurance	100,000	128,310	99,230	29,080
Outside services and agreements	15,000	-	-	-
Professional development	10,000	19,801	19,874	(73)
Elections	10,000	-	-	-
Directors fees	7,000	6,100	6,100	-
Other expenses	1,000	1,688	-	1,688
Total administration	417,621	411,233	389,657	21,576
Collaboration				
South station	15,000	15,000	15,000	-
Headwaters rescue authority	15,000	15,000	15,000	-
Grand county wildfire council	10,000	10,000	10,000	-
Joint wildland division	60,000	180,084	180,084	-
Total collaboration	100,000	220,084	220,084	-

The accompanying Notes to Financial Statements are an integral part of these statements.

GRAND FIRE PROTECTION DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

General Fund

(continued)

For the year ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Pension contribution	90,000	90,000	90,000	-
Operations				
Gas and oil	25,000	29,643	20,314	9,329
Supplies and PPE	18,000	48,028	32,699	15,329
Training	37,500	33,259	36,749	(3,490)
Prevention and risk reduction	55,000	93,385	66,770	26,615
Resident program	5,000	3,644	3,644	-
Grant expenditures	15,000	35,958	46,773	(10,815)
Uniforms	12,000	-	10,361	(10,361)
Wildland deployment	111,000	371,190	398,810	(27,620)
Firefighter incentives	45,000	47,490	47,961	(471)
Other operating expenses	-	-	3,816	(3,816)
Total operations	323,500	662,597	667,897	(5,300)
Communication				
Telephone	18,000	58,928	56,419	2,509
Website and social media	10,000	4,598	4,598	-
Dispatch	29,000	17,441	17,441	-
Total communication	57,000	80,967	78,458	2,509
Facility expenses				
Improvements	5,000	-	250	(250)
Outside service	45,000	25,199	41,452	(16,253)
Supplies	15,000	21,479	31,134	(9,655)
Office equipment	10,000	8,969	-	8,969
Utilities	80,000	51,539	82,698	(31,159)
Total facility expenses	155,000	107,186	155,534	(48,348)
Equipment repair and maintenance				
Outside service	40,000	62,105	62,455	(350)
Parts and supplies	15,000	49,399	46,887	2,512
Total equipment repair and maintenance	55,000	111,504	109,342	2,162

The accompanying Notes to Financial Statements are an integral part of these statements.

GRAND FIRE PROTECTION DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

General Fund

(continued)

For the year ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Capital expenditures				
Equipment	50,000	23,781	25,186	(1,405)
Capital improvements	400,000	26,977	64,320	(37,343)
North Station construction		204,965	219,708	(14,743)
Building and property	50,000	-	-	-
Apparatus expenditures and reserves	210,000	58,998	76,973	(17,975)
Disaster reserve fund	10,000	-	-	-
Fire impact fees - expenditures	395,000	478,671	478,671	-
COPS principal	155,000	155,000	160,000	(5,000)
COPS interest	343,250	344,000	336,250	7,750
Total capital expenditures	1,613,250	1,292,392	1,361,108	(68,716)
Contingency	50,000	50,000	-	50,000
Total expenditures	4,376,971	4,745,756	4,525,631	220,125
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	191,788	720,704	1,246,321	525,617
OTHER FINANCING SOURCES (USES)				
Transfer from(to) Bond Fund	(237,785)	(230,700)	-	230,700
Total other financing sources (uses)	(237,785)	(230,700)	-	230,700
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(45,997)	490,004	1,246,321	756,317
FUND BALANCES - Beginning of year	3,390,506	3,107,619	3,191,787	84,168
FUND BALANCES - End of year	$ 3,344,509	$ 3,597,623	$ 4,438,108	$ 840,485

The accompanying Notes to Financial Statements are an integral part of these statements.

Note 1 – Reporting entity

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in 1951, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District provides fire protection and responds to various emergency situations in a 150 square mile area within the Granby, Colorado region.

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

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

Note 2 – Summary of significant accounting policies

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

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and inter-governmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and

2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, internally dedicated revenues, and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Expenditures, other than interest on long-term obligations, generally are recorded when a liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

> The general fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest, and are being accumulated for principal and interest maturing in future years.

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.

Pooled cash and investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property taxes

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

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

Capital assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities of the government-wide financial statements at cost, net of accumulated depreciation. Capital assets are defined by the District as those assets with a cost of $2,500 or greater and an estimated life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings	30-50 years
Vehicles	10-20 years
Furniture and fixtures	5 years
Equipment	10 years

Compensated absences

The District has a policy whereby employees are compensated for unused paid time off. Unused accumulated paid hours will be paid based on an employee's regular rate of pay at time of termination. The earned, unpaid balance as of December 31, 2025 is approximately $73,713.

Long-term debt

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources in the current period.

Deferred outflows and inflows of resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report separate sections for deferred outflows and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statement of Net Position, but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The District has certain items that relate to its pension plans that qualify for reporting as deferred outflows of resources and deferred inflows of resources. Deferred inflows of resources also consist of deferred property tax revenue. The deferred property tax revenue is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Balances

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: non-spendable, 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:

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory or prepaid expenses) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. 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 – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

The District amended its budget for the year ended December 31, 2025.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fire protection postemployment benefit plan

The Governmental Accounting Standards Board (GASB) released Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, that is effective for the District for the year ending December 31, 2018. This statement details the reporting requirements for employers regarding other post-employment benefit (OPEB) plans.

FPPA administers the Statewide Death & Disability Plan discussed in Note 7, which qualifies as a cost sharing multiple-employer defined benefit OPEB plan under the standard. This plan covers substantially all active full-time (and some part-time) employees of fire and police departments in Colorado. As it pertains to the requirements in Statement No. 75 regarding the FPPA Statewide Death & Disability Plan and the District, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any Net OPEB liability (asset) is $-0-.

Note 3 – Cash and investments

Cash and investments are reflected on the December 31, 2025 statement of net position as follows:

	Governmental
Cash and investments	$ 3,329,586
Cash and investments - restricted	942,434
Total cash and investments	$ 4,272,020

Cash and investments as of December 31, 2025 consist of the following:

	Governmental
Deposits with financial institutions	$ 1,059,356
Investments	3,212,664
Total cash and investments	$ 4,272,020

Deposits with financial institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2025, the federal insurance limit was $250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

At December 31, 2025, the District's cash deposits had bank balances of $1,192,433 and carrying balances of $1,059,356.

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 to it. The District has adopted a deposit policy, which follows state statutes, for custodial credit risk. As of December 31, 2025, all of the District’s bank balances and carrying balances were fully insured or collateralized.

Investments

The District's investment policy follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

The District primarily limits its investments to local government investment pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

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

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

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

Investment	Maturity	Amount
Colorado Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	$ 3,212,664

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.

Grand Fire Protection District No.1

NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

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. The District's assets were held in Colotrust Plus+ during 2025.

Cash and investments - restricted

At December 31, 2025, $713,087 of cash and investments in the Governmental Funds were restricted for fire impact expenditures. Article X, Section 20 of the Constitution of the State of Colorado requires the District to establish emergency reserves (see Note 12). At December 31, 2025, $112,000 of Governmental Funds cash and investments were restricted in compliance with this requirement.

Note 4 – Capital assets

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Capital assets, not being depreciated				
Land and improvements	$ 1,149,262	$ -	$ -	$ 1,149,262
	1,149,262	-	-	1,149,262
Capital assets being depreciated				
Buildings and improvements	15,328,720	219,709	-	15,548,429
Vehicles	3,932,788	535,930	(21,289)	4,447,429
Furniture and fixtures	124,627	64,320	-	188,947
Equipment	586,809	44,899	-	631,708
Total capital assets being depreciated	19,972,944	864,858	(21,289)	20,816,513
Less accumulated depreciation for				
Buildings and improvements	2,251,883	322,770	-	2,574,653
Vehicles	2,547,836	236,576	(20,224)	2,764,188
Furniture and fixtures	84,474	19,600	-	104,074
Equipment	414,823	30,768	-	445,591
Total accumulated depreciation	5,299,016	609,714	(20,224)	5,888,506
Total capital assets being depreciated, net	14,673,928	255,144	(1,065)	14,928,007
Capital assets, net	$ 15,823,190	$ 255,144	$ (1,065)	$ 16,077,269

Depreciation expense of $609,714 for 2025 was included in the expenses of the primary government on the statement of activities.

Note 5 – Long-term obligations

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

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Direct Borrowings and Placements					
2022 Certificates of Participation	$ 6,725,000	$ -	$ 160,000	$ 6,565,000	$ 170,000
Premium on 2022 COPS	729,781	-	51,792	677,989	50,559
General obligation bonds payable					
Series 2012 general obligation bonds	300,000	-	300,000	-	-
Premium	609	-	609	-	-
Total long-term obligations	$ 7,755,390	$ -	$ 512,401	$ 7,242,989	$ 220,559

A description of long-term obligations outstanding as of December 31, 2025 is as follows:

$5,260,000 of General Obligation Bonds, Series 2012 dated August 24, 2012

The bonds were issued in the amount of $5,260,000 due through May 15, 2025, with interest rates of 2.0% to 3.0%. The bonds were issued primarily to refund the Series 2004 Bonds and to pay costs of issuance. Principal payments are due annually on November 15 and interest is payable semi-annually on November 15 and May 15. The 2012 Series bonds are subject to redemption prior to maturity. The 2012 Series Bonds currently have a rating by Fitch of AA-.

The bonds are secured by the District's full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate or amount to pay the principal of and interest on the Bonds when due.

The District issued the 2012 bonds to achieve a net present value benefit of $457,283 over the term of the bonds.

The District's long-term bond obligations were repaid in full during 2025.

Certificates of Participation

In June 2022, The District entered into a Lease Purchase Agreement with a financial institution for the Certificates of Participation, Series 2022 (COPS) in the amount of $7,025,000, the proceeds of which were used for the financing of construction of the District's north station and pay the cost of issuing the certificates. The COPS are to be retired over a 25-year period with interest at 5%. The COPS are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year obligation of the District within the meaning of any constitutional statutory debt limitation. Principal payments are due annually and interest payments are due semiannually through December 15, 2047.

The District's long-term obligations will mature as follows:

Year Ended December 31	Principal	Interest	Total
2026	$ 170,000	$ 328,250	$ 498,250
2027	180,000	319,750	499,750
2028	190,000	310,750	500,750
2029	200,000	301,250	501,250
2030	205,000	291,250	496,250
2031-2035	1,205,000	1,290,000	2,495,000
2036-2040	1,555,000	957,750	2,512,750
2041-2045	1,940,000	533,250	2,473,250
2046-2047	920,000	69,500	989,500
	$ 6,565,000	$ 4,401,750	$ 10,966,750

Debt authorization

At December 31, 2025, the District had no authorized but unissued debt.

Note 6 – <u>Net position</u>

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had a net investment in capital assets as follows:

Capital assets, net	$	16,077,269
Current portion of outstanding long-term obligations		(220,559)
Noncurrent portion of outstanding long-term obligations		(7,022,430)
Net investment in capital assets	$	8,834,280

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2025, the District had restricted net position as follows:

Emergencies (Note 12)	$	112,000
Fire impact expenditures		713,087
Debt service (Note 5)		117,347
Total restricted net position	$	942,434

The District had unrestricted net position of $2,921,276 and total net position of $12,697,990 as of December 31, 2025.

Note 7 – Firefighters pension plan

State of Colorado Fire and Police Pension Association – Statewide Retirement Plan (FPPA)

The District contributes to the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component, and Money Purchase Component. The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the SRP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. Most full-time, paid firefighters of the District are members of the SRP, and all newly hired firefighters have to be enrolled in the SRP.

The SRP assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members). The SRP is administered by FPPA. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Description of Benefits

SRP provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the Normal Retirement Age. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances, with the Normal Retirement Age being not less than age 55 and not more than age 60. 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).

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

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

The annual normal retirement benefit for the Defined Benefit Component 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 of the average member's highest three years' base salary for each year of service thereafter.

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

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

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

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

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

Contributions

Contribution rates for the SRP are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2025, the total combined member and employer contribution rate was 22.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2025, the total minimum required member and employer contribution rate was 22.7 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2025, the total combined member and employer contribution rate was 11.25 percent.

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

each and at least a combined rate of 18 percent in 2030. In 2025, the total minimum combined member and employer contribution rate was 16.75 percent.

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

Employer contributions are recognized by SRP in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to SRP. Contributions to the Defined Benefit Component of the SRP from the District were $106,259 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 net pension liability of $0 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2025. The District's proportion of the net pension liability was based on the District's contributions to the SRP relative to the total contributions of participating employers to the SRP based upon the January 1, 2025 actuarial valuation. At December 31, 2024, the District's proportion was 0.07281 percent, which was an increase of 0.03010 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense of ($111,583). At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 174,968	$ 5,473
Changes of Assumptions or other Inputs	62,619	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	24,856	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	5,680	159,771
Contributions Subsequent to the Measurement Date	106,259	-
Total	$ 374,382	$ 165,244

$106,259 in total reported as deferred outflows of resources related to pension resulting from District contributions subsequent to measurement date will be recognized as an addition to the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2026	$50,178
2027	84,462
2028	(14,320)
2029	(11,512)
2030	1,460
Thereafter	(7,389)

Actuarial Assumptions

The actuarial valuations for the SRP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumption and other inputs:

Grand Fire Protection District No.1

NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25 - 11.75%	4.25 - 11.75%
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 for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

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

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 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.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	$355,319	$ -	$ -

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, which can be obtained at http://www.fppaco.org.

Note 8 – Volunteer Pension Fund

Plan Descriptions and Provisions

The District, on behalf of its volunteer firefighters, contributes to an agent multiple-employer defined benefit pension plan (the Plan) administered by the Fire and Police Pension Association of Colorado ("FPPA"). The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Pension Fund Board of Trustees. Colorado Revised Statues (CRS), as amended, establishes basic benefit provisions for such plans. The Plan is included as a Pension Trust fund of the District and the Pension Trust does not issue separate statements.

Volunteers Covered by Benefit Terms

As of January 1, 2025, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	28
Inactive, Nonretired Members	-
Active Members	10
Total	38

Benefits provided

The Plan provides retirement, survivor, death and funeral benefits. Retirement benefit for a member is $700.00 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive $35.00 per month for every year of service. Survivor's death benefits is a $350.00 monthly benefit payment. Funeral benefit to the family members is a one-time payment of $1,400.

Funding policy.

The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The Actuarial study as of January 1, 2025, indicated that the current level of contributions to the fund are adequate to support, on an actuarially sound basis, the prospective benefits for the present plan.

Contributions

For the year ended December 31, 2025, the District contributed $90,000 to the plan.

Net Pension Liability

At December 31, 2025, the District reported a net pension liability of $983,749. The net pension liability was measured as of December 31, 2024, and the total pension liability

used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025 and a measurement date of December 31, 2024. This measurement date is within one year of the plan sponsor's fiscal year-end of December 31, 2025 and may be used for December 31, 2025 reporting purposes.

Actuarial Assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	6.00%
Retirement Age	50% per year of eligibility until 100% at age 65.

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

Mortality: **Pre-retirement:** Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.

Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.

Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). Being that the plan's fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 6.00% was used as the discount rate.

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 6.00%; the municipal bond rate is 4.08% (based on the weekly rate closet to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount rate is 6.00%.

Long-term expected return on plan assets. 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 nominal 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 Nominal Rate of Return
Liquidity	4.00%	4.2%
Fixed Income - Rates	7.00%	5.0%
Fixed Income - Credit	7.00%	6.5%
Diversifiers	9.00%	5.7%
Long Short	6.00%	6.2%
Global Public Equity	33.00%	7.0%
Private Markets	34.00%	8.8%
Total	100.00%	

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2023	$ 2,275,583	$ 1,417,412	$ 858,171
Service Cost	5,758	-	5,758
Interest	152,783	-	152,783
Changes in benefit terms	-	-	-
Difference Between Expected and Actual Experience	(5,893)	-	(5,893)
Changes in assumptions	217,568	-	217,568
Contributions - Employer	-	90,000	(90,000)
State of Colorado Supplemental Discretionary Payment	-	31,557	(31,557)
Net Investment Income	-	133,911	(133,911)
Benefit Payments, Including Refunds of Employee Contributions	(194,880)	(194,880)	-
Administrative Expenses	-	(10,830)	10,830
Net Changes	175,336	49,758	125,578
Balance at December 31, 2024	$ 2,450,919	$ 1,467,170	$ 983,749

Sensitivity of the Net Pension Liability to the Changes in the Discount Rate

The following table presents the net pension liability of the District, calculated using the discount rate of 6.00% as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
District's Net Pension Liability	$ 1,242,728	$ 983,749	$ 766,181

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

For the year ended December 31, 2025, the District recognized pension expense of $186,517 for the Volunteer Pension Plan. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 1,700
Changes of Assumptions	62,759	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	19,010	-
Contributions Subsequent to the Measurement Date	90,000	-
Total	$ 171,769	$ 1,700

$90,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease in the pension liability in the year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (income) as follows:

Year Ended December 31	Deferred Amounts
2026	$ 70,616
2027	31,772
2028	(14,803)
2029	(7,516)
Total	$ 80,069

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.

Note 9 – <u>Deferred compensation plan</u>

The District established a deferred compensation plan pursuant to Internal Revenue Code Section 457, which is being administered by the FPPA. The District has no administration or trustee responsibilities for this plan. Neither the assets nor corresponding liabilities of this plan are reflected in these financial statements. All contributions vest at the time such contributions are made. During 2025, the District contributed $73,417 and the District's employees contributed $73,417 to the Plan.

Note 10 – Intergovernmental Agreements

Joint Wildland Division (JWD)

During 2023 the District and Grand Lake Fire Protection District #2 (GLFPD2) developed a framework whereby the Districts will collaborate to develop the Joint Wildland Division (JWD), a wildland program, to provide larger benefits for the firefighters and residents of both fire protections districts. The JWD will allow both Districts to provide higher levels of staffing, training and experience to address the current trends in quantity, scale and intensity of modern Wildland Urban Interface fires.

Grand County Wildfire Council (GCWC) Memorandum of Understanding (MOU)

In 2023 the District and GCWC entered into a MOU to retain and utilize resources for the benefit of all residents and visitors to Grand County. The MOU provides for two employment positions within the District which will be funded by both the District and GCWC. These Grand Fire employees report to both the fire chief and the GCWC board of directors. Under the terms of the MOU, the District committed to $70,000 annually related to these positions for up to four years, not to exceed $240,000. The District invoices GCWC quarterly for the greater of 50% of the cost of the employment or the remainder of payroll costs not covered by the District.

Joint construction and facility use agreement

Grand Fire Protection District No. 1 and East Grand Fire Protection District No. 4 entered into a Joint Construction and Facility Use Agreement on June 27, 2006. The Districts agreed to share equally, the construction costs and future operating and maintenance costs of a regional response facility (known as the "South Station" or "Red Dirt Station") in Grand County. The Districts have been utilizing this facility since then, providing living quarters to active firefighters and responding to emergencies in both Districts, improving response times and increasing manpower on scene.

Land valued at $150,000 was donated by the YMCA of the Rockies for the South Station site. The Districts contributed $270,000 each toward construction. The facility is being operated now by a joint management committee made up of two members from each District's board. The Districts will rotate responsibility for management of the facility. The completed construction cost of $1,075,603 was divided equally between the assets of both districts.

Note 11 – 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 or volunteers; and natural disasters. The District carries commercial coverage for these risks of loss. Claims have not exceeded coverage in any of the last three fiscal years.

Note 12 – Tax, spending and debt limitation

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 revenue.

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

On November 6, 2001, registered electors of the District passed an issue allowing the District, in the year 2002 and each subsequent year thereafter, to collect, retain, and expend the full proceeds of the District's fees, taxes, non-federal grants, and other revenues and to spend such revenue for debt service, District operations, capital projects, and any other lawful District purpose, notwithstanding any State of Colorado restrictions on revenues or spending including the restrictions of Article X, Section 20, of the Colorado Constitution, the revenue limitations in Section 29-1-301 of the Colorado Revised Statutes or any other law.

On May 4, 2004 the District voters approved a mill levy override to provide funds for District operations, allowing the District to levy up to 0.850 mills for such purposes. On November 18, 2021, voters approved a mill levy increase to provide an additional $340,000 in 2022 and by such amounts as may be collected annually thereafter by imposing a maximum operating mill levy of 10 mills to pay operating, capital improvement and certain other expenses, which may be adjusted to offset refunds, abatements, and changes to the percentage of actual valuation used to determine assessed valuation.

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 interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

Note 13 – Commitments

On January 21, 2023, the District entered into a purchase agreement, for a 2025 Enforcer Pumper (the Pumper), in the amount of $1,095,744. Per the agreement, Delivery of the Pumper is scheduled for 35 to 37 months from the date the purchase agreement was signed. Payment is required at the time of final inspection of the Pumper. The District anticipates taking possession of the equipment during 2026.

REQUIRED SUPPLEMENTARY INFORMATION

Grand Fire Protection District No. 1

Schedule of Changes in Net Pension Liability and Related Ratios

FPPA Volunteer Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 5,758	$ 5,758	$ 5,738	$ 5,738	$ 6,823	$ 6,823	$ 11,880	$ 11,880	$ 26,299	$ 26,299
Interest	152,783	155,161	156,265	158,654	163,606	165,891	178,016	178,280	174,694	174,921
Changes in Benefit Terms	-	-	-	-	-	-	-	-	(5,195)	-
Differences Between Expected and Actual Experience	(5,893)	-	844	-	(37,380)	-	(80,293)	-	(15,604)	-
Changes of Assumptions	217,568	-	16,248	-	-	-	89,775	-	72,370	-
Benefit Payments, Including Refunds of Employee Contributions	(194,880)	(194,880)	(194,880)	(202,027)	(204,470)	(206,218)	(194,894)	(192,500)	(202,650)	(205,800)
Net Change in Total Pension Liability	175,336	(33,961)	(15,785)	(37,635)	(71,421)	(33,504)	4,484	(2,340)	49,914	(4,580)
Total Pension Liability - Beginning of Year	2,275,583	2,309,544	2,325,329	2,362,964	2,434,385	2,467,889	2,463,405	2,465,745	2,415,831	2,420,411
Total Pension Liability - End of Year	2,450,919	2,275,583	2,309,544	2,325,329	2,362,964	2,434,385	2,467,889	2,463,405	2,465,745	2,415,831
Plan Fiduciary Net Position										
Contributions - Employer	90,000	97,500	90,000	75,000	97,500	82,500	90,000	95,000	108,333	95,040
Net Investment Income	133,911	129,367	(125,535)	209,252	168,685	180,256	850	181,731	65,983	24,181
Benefit Payments, Including Refunds of Employee Contributions	(194,880)	(194,880)	(194,880)	(202,027)	(204,470)	(206,218)	(194,894)	(192,500)	(202,650)	(205,800)
Administrative Expenses	(10,830)	(12,145)	(9,405)	(9,342)	(7,781)	(11,435)	(9,465)	(9,994)	(2,246)	(4,799)
State of Colorado supplemental discretionary payment	31,557	31,557	31,557	63,114	-	31,557	31,557	31,557	31,557	31,557
Net Change in Plan Fiduciary Net Position	49,758	51,399	(208,263)	135,997	53,934	76,660	(81,952)	105,794	977	(59,821)
Plan Fiduciary Net Position - Beginning of Year	1,417,412	1,366,013	1,574,276	1,438,279	1,384,345	1,307,685	1,389,637	1,283,843	1,282,866	1,342,687
Plan Fiduciary Net Position - End of Year	1,467,170	1,417,412	1,366,013	1,574,276	1,438,279	1,384,345	1,307,685	1,389,637	1,283,843	1,282,866
Net Pension Liability - End of Year	$ 983,749	$ 858,171	$ 943,531	$ 751,053	$ 924,685	$ 1,050,040	$ 1,160,204	$ 1,073,768	$ 1,181,902	$ 1,132,965
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.86%	62.29%	59.15%	67.70%	60.87%	56.87%	52.99%	56.41%	52.07%	53.10%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's 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 Fire Protection District No. 1

Schedule of District Contributions

FPPA Volunteer Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 97,152	$ 105,418	$ 105,418	$ 116,372	$ 116,372	$ 121,386	$ 121,386	$ 130,724	$ 130,724	$ 130,724
Contributions in Relation of the Actuarially Determined Contribution	121,557	129,057	121,557	138,114	97,500	114,057	121,386	121,557	126,557	139,890
Contribution Deficiency (Excess)	$ (24,405)	$ (23,639)	$ (16,139)	$ (21,742)	$ 18,872	$ 7,329	$ -	$ 9,167	$ 4,167	$ (9,166)
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Valuation Date:
Actuarially determined contribution rates are calculated as of January 1 of odd numbered years and used for two fiscal years

Grand Fire Protection District No. 1

Schedule of the District's Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years

Statewide Retirement Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan Measurement Date Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.072812539%	0.042710000%	0.031412019%	0.029693001%	0.026061094%	0.025197320%	0.028472483%	0.031644835%	0.034958697%	0.034204191%
District's Proportionate Share of the Net Pension Liability (Asset)	$ -	$ -	$ 27,882	$ (160,916)	$ (56,579)	$ (14,251)	$ 35,997	$ (45,526)	$ 12,632	$ (603)
District's Covered Payroll	$ 796,958	$ 420,240	$ 273,749	$ 239,631	$ 210,302	$ 186,884	$ 190,968	$ 184,500	$ 178,917	$ 165,814
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.0%	0.0%	10.2%	(67.2%)	(26.9%)	(7.6%)	18.8%	(24.7%)	7.1%	(0.4%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Covered payroll is presented based on the fiscal year.

Grand Fire Protection District No. 1

Schedule of District Contributions

Statewide Retirement Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 106,259	$ 79,393	$ 39,863	$ 24,596	$ 20,318	$ 16,824	$ 14,951	$ 15,277	$ 14,832	$ 14,313
Contributions in Relation to the Contractually Required Contribution	106,259	79,393	39,863	24,596	20,318	16,824	14,951	15,277	14,832	14,313
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,013,673	$ 796,958	$ 420,240	$ 273,749	$ 239,631	$ 210,302	$ 186,884	$ 190,968	$ 184,500	$ 178,917
Contributions as a Percentage of Covered Payroll	10.5%	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%

*The amounts presented for each fiscal year were determined as of December 31.

SUPPLEMENTARY INFORMATION

GRAND FIRE PROTECTION DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Debt Service Fund

For the year ended December, 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest income	$ -	$ 1,336	1,336
Total revenues	-	1,336	1,336
EXPENDITURES			
Debt service			
Principal	300,000	300,000	-
Interest	3,750	3,750	-
County treasurer fees	250	2	248
Other	-	-	-
Total expenditures	304,000	303,752	248
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(304,000)	(302,416)	1,584
Other financing sources (uses)			
Transfers from(to) General Fund	237,785	-	(237,785)
Total other financing sources (uses)	237,785	-	(237,785)
Change in fund balance	(66,215)	(302,416)	(236,201)
FUND BALANCES - Beginning of year	66,215	419,763	353,548
FUND BALANCES - End of year	$ -	$ 117,347	$ 117,347