HUDSON FIRE PROTECTION DISTRICT

Weld County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2025

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	I
MANAGEMENT'S DISCUSSION & ANALYSIS	IV
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities	5
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	6
Statement of Fiduciary Net Position – Volunteers' Pension Fund	7
Statement of Changes in Fiduciary Net Position – Volunteers' Pension Fund	8
Notes to Financial Statements	9
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Proportionate Share of the Net Pension (Asset) Liability – Fire and Police Pension Association – Statewide Retirement Plan	32
Schedule of District Contributions – Fire and Police Pension Association - Statewide Retirement Plan	33
Schedule of Changes in the Net Pension Liability and Related Ratios of the Volunteers' Pension Plan	34
Schedule of the Net Pension Liability – Volunteers' Pension Plan	35
Schedule of Pension Contributions – Volunteers' Pension Plan	36
Schedule of Pension Investment Returns – Volunteers' Pension Plan	37
SUPPLEMENTARY INFORMATION	
Schedule of Changes in Fiduciary Net Position – Volunteers' Pension Fund – Budget and Actual	38
Schedule of Expenditures – Budget and Actual – General Fund	39
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund	42
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Impact Fees Fund	43
OTHER INFORMATION	
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	44

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Independent Auditor's Report

Board of Directors
Hudson Fire Protection District
Weld County, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through IX, the Schedule of Proportionate Share of Net Pension (Asset) Liability – Fire and Police Pension Association – Statewide Retirement Plan on page 32, the Schedule of District Contributions – Fire and Police Pension Association – Statewide Retirement Plan on page 33, the Schedule of Changes in the Net Pension Liability and Related Ratios of the Volunteers' Pension Plan on page 34, the Schedule of the Net Pension Liability – Volunteers' Pension Plan on page 35, the Schedule of Pension Contributions – Volunteers' Pension Plan on page 36, and the Schedule of Pension Investment Returns – Volunteers' Pension Plan on page 37 be presented to supplement the basic financial statements.

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

Supplementary Information

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

Other Information

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

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

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
September 15, 2026

HUDSON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2025

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

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

The government-wide financial statements can be found on pages 1 and 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. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District reports governmental and fiduciary funds.

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

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

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting for fiduciary funds is much like the government-wide financial statements.

The District adopts an annual appropriated budget for the General Fund and Volunteers' Pension Fund. A budgetary comparison statement for each fund has been provided to demonstrate compliance with the appropriated budget.

The governmental and fiduciary fund financial statements can be found on pages 3 through 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 through 31 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information consisting of the Schedule of Proportionate Share of Net Pension (Asset) Liability – Fire and Police Pension Association – Statewide Retirement Plan, the Schedule of District Contributions – Fire and Police Pension Association – Statewide Retirement Plan, the Schedule of Changes in the Net Pension Liability and Related Ratios of the Volunteers' Pension Plan, the Schedule of the Net Pension Liability – Volunteers' Pension Plan, the Schedule of Pension Contributions – Volunteers' Pension Plan, and the Schedule of Pension Investment Returns – Volunteers' Pension Plan which can found on pages 32 through 37, respectively, of this report. Also included is supplementary information consisting of the Schedule of Changes in Fiduciary Net Position – Volunteers' Pension Fund - Budget and Actual, the Schedule of Expenditures – Budget and Actual – General Fund, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund, and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Impact Fees Fund. This supplementary information can be found on pages 38 through 43, respectively, of this report. Additionally other information consisting of the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected, can be found on page 44 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $39,429,641 at the close of the most

recent fiscal year. Comparative information for the years ended December 31, 2025 and 2024 follows.

NET POSITION

	December 31,	
	2025	**2024**
ASSETS		
Current assets	$ 43,865,010	$ 36,597,279
Noncurrent assets	81,996	74
Capital assets	8,016,347	7,021,793
Total assets	51,963,353	43,619,146
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	1,420,504	1,463,294
Total deferred outflows of resources	1,420,504	1,463,294
LIABILITIES		
Current liabilities	348,221	182,582
Total liabilities	348,221	182,582
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	13,405,875	9,323,473
Deferred inflows related to pensions	200,120	112,720
Total deferred inflows of resources	13,605,995	9,436,193
NET POSITION		
Investment in capital assets	8,016,347	7,021,793
Restricted	399,337	427,000
Unrestricted	31,013,957	28,014,872
Total net position	$ 39,429,641	$ 35,463,665

As noted in the table above, one portion of the District's net position, $8,016,347 reflects its investment in capital assets (e.g. land, buildings, fire trucks and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Current assets increased by $7,267,731 or 19.9% from 2024. Cash and investments increased by $7,697,014 due to a positive change in net position and an increase in property taxes levied for collection in the ensuing year. Property taxes receivable and deferred property tax revenue increased by $4,082,402, or 43.8%, due to an increase in the District's assessed valuation and an increase in the District's mill levy by 2.995 mill as a result of the ballot measure passed by the District's voters in November 2025. Noncurrent assets increased by $81,922 due to an increase in the net pension asset for the volunteers' pension plan. Total deferred outflows of resources related to pensions decreased by $42,790 and deferred inflows related to pensions increased by $87,400. Net pension liabilities and assets and the related deferred inflows and outflows of resources related to pensions fluctuate from year-to-year based on the actuary calculations for the pension plans and the District's relative proportion of the overall net pension asset or liability.

The District's capital asset and long-term liability activity is discussed in the capital asset and debt administration section of this management's discussion and analysis. Total net position

increased due to positive operating results. See additional information in the changes in net position discussion below.

CHANGES IN NET POSITION

	Years Ended December 31,	
	2025	**2024**
REVENUES		
Program revenues:		
Charges for services	$ 682,170	$ 228,009
Operating grants and contributions	17,009	38,000
Capital grants and contributions	80,168	-
Total program revenue	779,347	266,009
General revenues:		
Property taxes	9,316,318	12,473,934
Specific ownership taxes	410,957	441,315
Net investment income	1,267,916	1,295,740
Other	14,875	8,434
Total general revenue	11,010,066	14,219,423
EXPENSES		
Fire protection	7,823,437	6,295,995
Total expenses	7,823,437	6,295,995
CHANGE IN NET POSITION	3,965,976	8,189,437
NET POSITION - BEGINNING OF YEAR	35,463,665	27,274,228
NET POSITION - END OF YEAR	$ 39,429,641	$ 35,463,665

As noted in the table above, the District's overall financial position, as measured by net position, increased $3,965,976 during 2025. Charges for services increased by $454,161 due to more wildland fire deployments of District firefighters and vehicles/equipment during 2025 than in 2024, and the District providing in-house Emergency Medical Services (EMS) beginning in November 2025. Capital grants and contributions increased by $80,168 due to the District implementing an impact fee during 2025. Property taxes decreased by $3,157,616, or 25.3%, due to a decrease in the District's assessed for property taxes levied for collection in 2025. Fire protection expenses increased by $1,527,442 or 24.3% primarily due to higher wages and benefits of approximately $1,360,246 (including the effects of changes in the District's pensions) partly due to hiring related to the new EMS program.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is

useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported an ending fund balance of $30,248,639. Of this fund balance, $47,472 is in nonspendable form as it represents prepaid expenditures for the ensuing year; $399,337 is restricted, meaning it is not available for new spending, because it has been restricted for emergencies under the Taxpayers' Bill Of Rights (TABOR) or is restricted for capital projects and improvements, and $13,641,886 has been assigned by the District's Board of Directors for various purposes. See further explanation of fund balance categories in Note 2 and Note 9 of the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Variances. For the year 2025, the District's General Fund budget was amended to increase the transfer from the General Fund to the Capital Projects Fund. The budget and actual comparison details can be seen on page 6 of the financial statements, with further detail on the budget and actual comparison schedule for the expenditures in the supplementary information on pages 39-41 of the financial statements. District revenues were over the budgeted amount by $833,403 primarily due to: 1) higher net investment income than had been budgeted, 2) $41,955 of net revenue from the EMS program, and 3) higher deployment revenue than budgeted as the District deployed on 5 wildland fires in 2025. Actual expenditures and transfers were under the 2025 amended budget by $1,202,487, as a result of administration, operations, fleet and facilities, and capital outlay expenditures being $279,237, $173,457, $86,881, and $362,912, respectively, less than anticipated. Additionally, the District budgeted a $300,000 contingency which was not utilized.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets as of December 31, 2025, amounted to $8,016,347 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and vehicles and equipment. The analysis of changes in capital assets is as follows:

CAPITAL ASSETS (net of depreciation)

	2024	Change	2025
Land	$ 166,265	$ -	$ 166,265
Construction in progress	1,174,113	412,135	1,586,248
Buildings and improvements	3,169,027	(81,062)	3,087,965
Vehicles and equipment	2,512,388	663,481	3,175,869
Total	$ 7,021,793	$ 994,554	$ 8,016,347

During 2025, the significant capital asset additions were: the purchase and equipping of two ambulances and paying the downpayment on a third ambulance for $838,286, purchase of various pieces of equipment for use with the Emergency Medical Services program for a total of $404,575, purchase of eight radios for $52,279, and a fitness room addition to one of the stations for $272,434, and various other purchases of $42,475.

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

Long-Term Obligations. The District didn't have any outstanding long-term obligations during 2025.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2026 fiscal year, the District's assessed valuation increased by $86,704,270 or 8.59% and the District's mill levy increased by 2.995 mills. As a result, the District levied $4,089,557 more property taxes for collection in 2026 than was collected in 2025. Total 2026 budgeted revenues for the General Fund, Capital Projects Fund, and Impact Fees Fund are $14,735,901, $2,400,000 (including $2,000,000 transfer from the General Fund), and $74,000, respectively. The District budgeted expenditures for the General Fund, Capital Projects fund, and Impact Fees Fund of $14,720,472 (including $2,000,000 transfer to the Capital Projects Fund), $3,325,000, and $40,000, respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Hudson Fire Protection District, 702 Cedar Street, P.O. Box 2, Hudson, CO 80642.

BASIC FINANCIAL STATEMENTS

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

ASSETS	
Cash deposits and investments	$ 29,860,672
Due from county treasurer	33,257
EMS receivable (net of allowance of $86,415)	41,597
Deployment reimbursements receivable	471,137
Deposits	5,000
Property taxes receivable	13,405,875
Prepaid expenses	47,472
Net pension asset - VP	81,996
Capital assets, not being depreciated	1,752,513
Capital assets, being depreciated, net of accumulated depreciation	6,263,834
Total assets	51,963,353
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension - SRP	1,405,504
Deferred outflows related to pension - VP	15,000
Total deferred outflows of resources	1,420,504
LIABILITIES	
Accounts payable	210,496
Paid time off, vacation and sick leave liability	137,725
Total liabilities	348,221
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	13,405,875
Deferred inflows related to pension - SRP	186,827
Deferred inflows related to pension - VP	13,293
Total deferred inflows of resources	13,605,995
NET POSITION	
Investment in capital assets	8,016,347
Restricted for:	
Emergencies	319,000
Restricted for capital projects and improvements	80,337
Unrestricted	31,013,957
Total net position	$ 39,429,641

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Fire protection	$ 7,823,437	$ 682,170	$ 17,009	$ 80,168	$ (7,044,090)
	$ 7,823,437	$ 682,170	$ 17,009	$ 80,168	(7,044,090)
General revenues:					
Taxes:					
Property taxes					9,316,318
Specific ownership taxes					410,957
Net investment earnings					1,267,916
Other					14,875
Total general revenues					11,010,066
Change in net position					3,965,976
Net position - Beginning of year					35,463,665
Net position - End of year					$ 39,429,641

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

HUDSON FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Capital Projects Fund	Impact Fees Fund	Total Governmental Funds
ASSETS				
Cash deposits and investments	$ 15,986,741	$ 13,793,594	$ 80,337	$ 29,860,672
Due from county treasurer	33,257	-	-	33,257
EMS receivable (net of allowance of $86,415)	41,597	-	-	41,597
Deployment reimbursements receivable	471,137	-	-	471,137
Deposits	5,000	-	-	5,000
Property taxes receivable	13,405,875	-	-	13,405,875
Prepaid expenditures	47,472	-	-	47,472
TOTAL ASSETS	$ 29,991,079	$ 13,793,594	$ 80,337	$ 43,865,010
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts payable and other liabilities	$ 58,788	$ 151,708	$ -	$ 210,496
Salaries and benefits payable	-	-	-	-
TOTAL LIABILITIES	58,788	151,708	-	210,496
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	13,405,875	-	-	13,405,875
TOTAL DEFERRED INFLOWS OF RESOURCES	13,405,875	-	-	13,405,875
FUND BALANCE				
Nonspendable:				
Prepaids	47,472	-	-	47,472
Spendable fund balances:				
Restricted for emergencies	319,000	-	-	319,000
Restricted for capital projects and improvements	-	-	80,337	80,337
Assigned for capital projects and improvements	-	13,641,886	-	13,641,886
Unassigned	16,159,944	-	-	16,159,944
TOTAL FUND BALANCE	16,526,416	13,641,886	80,337	30,248,639
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 29,991,079	$ 13,793,594	$ 80,337	$ 43,865,010

Adjustments to reconcile the governmental fund balance sheet to the statement of net position are as follows:	
Fund balance per above	$ 30,248,639
Capital assets reported in the governmental activities are not financial resources and, therefore are not reported in the governmental fund balance sheet:	
Capital assets, net	8,016,347
Certain amounts related to the District's pension plans reported on the statement of net position are not reported in the fund balance sheet:	
Net pension asset - VP	81,996
Deferred outflows of resources - SRP	1,405,504
Deferred outflows of resources - VP	15,000
Deferred inflows of resources - SRP	(186,827)
Deferred inflows of resources - VP	(13,293)
Long-term liabilities, including leases payable, compensated absences and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the fund balance sheet:	
Paid time off, vacation and sick leave liability	(137,725)
Net position of governmental activities	$ 39,429,641

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

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

	General Fund	Capital Projects Fund	Impact Fees Fund	Total Governmental Funds
REVENUES				
Property taxes	$ 9,316,318	$ -	$ -	$ 9,316,318
Specific ownership taxes	410,957	-	-	410,957
Impact fees	-	-	80,168	80,168
EMS revenue (net of adjustments/ write-offs of $86,415)	41,955	-	-	41,955
Net investment income	853,465	414,282	169	1,267,916
Deployments	640,215	-	-	640,215
Cost recovery	6,810	-	-	6,810
Donations	10,199	-	-	10,199
Other	14,875	-	-	14,875
Total revenues	11,294,794	414,282	80,337	11,789,413
EXPENDITURES				
Administration	6,461,451	-	-	6,461,451
Operations	355,143	-	-	355,143
Fleet and facilities	243,119	-	-	243,119
Capital outlay	167,088	1,522,396	-	1,689,484
Contribution to Volunteers' Pension Fund	15,000	-	-	15,000
Total expenditures	7,241,801	1,522,396	-	8,764,197
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	4,052,993	(1,108,114)	80,337	3,025,216
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	(14,750,000)	14,750,000	-	-
Insurance proceeds	4,915	-	-	4,915
Total other financing sources (uses)	(14,745,085)	14,750,000	-	4,915
NET CHANGE IN FUND BALANCE	(10,692,092)	13,641,886	80,337	3,030,131
FUND BALANCE - BEGINNING OF YEAR	27,218,508	-	-	27,218,508
FUND BALANCE - END OF YEAR	$ 16,526,416	$ 13,641,886	$ 80,337	$ 30,248,639

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

HUDSON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

A reconciliation reflecting the differences between the governmental funds excess of revenues over (under) expenditures and changes in net position reported for governmental activities in the statement of activities is as follows:

Net change in fund balance - Governmental Funds	$ 3,030,131
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay - capitalized	1,610,049
Depreciation	(615,495)
	994,554
Some expenses reported in the governmental fund statements were made subsequent to the measurement date for the net pension asset calculation and will therefore be reported as expenses.	
Deferred outflows of resources:	
District contributions subsequent to measurement date - SRP	379,954
District contributions subsequent to measurement date - VPP	15,000
	394,954
Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	
Increase in paid time off payable	(10,441)
Pension income/(expense) - SRP	(462,706)
Pension income/(expense) - VPP	19,484
	(453,663)
Change in net position	$ 3,965,976

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

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

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	$ 9,317,420	$ 9,317,420	$ 9,316,318	$ (1,102)
Specific ownership taxes	437,918	437,918	410,957	(26,961)
EMS revenue (net of adjustments/ write-offs of $86,415)	-	-	41,955	41,955
Net investment income	700,000	700,000	853,465	153,465
Deployments	-	-	640,215	640,215
Cost recovery	6,053	6,053	6,810	757
Donations	-	-	10,199	10,199
Other	-	-	14,875	14,875
Total revenues	10,461,391	10,461,391	11,294,794	833,403
EXPENDITURES				
Administration	6,740,688	6,740,688	6,461,451	279,237
Operations	528,600	528,600	355,143	173,457
Fleet and facilities	330,000	330,000	243,119	86,881
Capital outlay	530,000	530,000	167,088	362,912
Contribution to Volunteers' Pension Plan	15,000	15,000	15,000	-
Contingency	300,000	300,000	-	300,000
Total expenditures	8,444,288	8,444,288	7,241,801	1,202,487
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,017,103	2,017,103	4,052,993	2,035,890
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(9,650,000)	(14,750,000)	(14,750,000)	-
Insurance proceeds	-	-	4,915	4,915
Total other financing sources	(9,650,000)	(14,750,000)	(14,745,085)	4,915
NET CHANGE IN FUND BALANCE	(7,632,897)	(12,732,897)	(10,692,092)	2,040,805
FUND BALANCE - BEGINNING OF YEAR	27,755,378	27,218,508	27,218,508	-
FUND BALANCE - END OF YEAR	$ 20,122,481	$ 14,485,611	$ 16,526,416	$ 2,040,805

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

HUDSON FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
VOLUNTEERS' PENSION FUND
December 31, 2025

ASSETS	
Cash deposits and investments	$ 1,137,756
Accrued interest receivable	2,068
TOTAL ASSETS	1,139,824
NET POSITION RESTRICTED FOR PENSIONS	$ 1,139,824

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

HUDSON FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
VOLUNTEERS' PENSION FUND
Year Ended December 31, 2025

ADDITIONS		
Contributions:		
District contribution	$	15,000
State participation contribution		13,500
Total contributions		28,500
Net investment income:		
Investment income		113,157
Less investment expense		(5,579)
Net investment income		107,578
Total additions		136,078
DEDUCTIONS		
Benefit payments		82,650
Administrative expenses:		
Insurance		200
Directors' fees		69
Payroll taxes		6
Actuary study		4,500
Total deductions		87,425
NET INCREASE IN NET POSITION		48,653
NET POSITION RESTRICTED FOR PENSIONS - BEGINNING OF YEAR		1,091,171
NET POSITION RESTRICTED FOR PENSIONS - END OF YEAR	$	1,139,824

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

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Hudson Fire Protection District (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District was established to provide fire protection services to the Towns of Hudson and Lochbuie and the surrounding geographic area in Weld County, Colorado.

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. The District is not a component unit of any other primary governmental entity, including the Towns of Hudson and Lochbuie.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

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

The District reports the following major governmental funds:

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

The Capital Projects Fund is the used to account for the financial resources set aside by the District for use for capital purchases and improvements.

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

Additionally, the District reports the following fiduciary fund type:

The Volunteers' Pension Fund accounts for the activities of the District's volunteer firefighter's pension plan, which accumulates resources for pension benefit payments for its volunteer firefighters.

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

reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds 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 appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

For the year ended December 31, 2025, the District amended the budgets of the General Fund and Capital Projects Fund.

Property Taxes

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

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

The three largest corporate property tax payers in the District, each representing more than 5% of the District's total assessed valuation, had a combined assessed valuation of approximately 66% of the total assessed valuation within the District. District management monitors the assessed valuations and considers potential impacts when adopting the annual budget.

Capital Assets

Capital assets, which include land, buildings, fire trucks and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 assets lives are not capitalized.

Buildings, fire trucks and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5-50	years
Vehicles and equipment	5-10	years

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets balance that applies to a future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 67 and GASB 68.

Fund Balances – Governmental Fund

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

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

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

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can

be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

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

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

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Governmental Activities and Governmental Fund Cash and Investments

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

Cash deposits	$ 724,007
Investments	29,136,665
Total cash deposits and investments (Governmental Activities and Funds)	$ 29,860,672

Cash Deposits

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

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

As of December 31, 2025, the District's cash deposits had a bank balance of $782,572 and a carrying balance of $724,007.

Investments

Credit Risk

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

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

The District has invested in a local government invest pool, the Colorado Local Government Liquid Asset Trust (COLOTRUST), which is rated AAAm by Standard & Poor's.

Interest Rate Risk

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

Concentration of Credit Risk

The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer however, the District invests primarily in local government investment pools, which are not subject to concentration of credit risk.

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

Investment	Maturity	Carrying Value
COLOTRUST Plus+	Weighted average under 60 days	$ 29,136,665

COLOTRUST

As of December 31, 2025, the District invested in the Colorado Local Government Liquid Asset Trust (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 operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and

COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST Plus+ and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAm by Standard and Poor's and the EDGE portfolio is rated AAAf/S1 by Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotrust.com.

Investment Valuation

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

The District's investments are not categorized within the fair value hierarchy. The District's investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to $1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a $10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than $10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

Volunteers' Pension Plan Cash and Investments

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

Cash deposits	$	2,423
Investments		1,135,333
Total cash deposits and investments (Pension Fund)	$	1,137,756

As of December 31, 2025, the District's cash deposits had a bank balance of $2,423 and a carrying balance of $2,423.

Investments

Credit Risk

The District has not adopted a formal investment policy, however, the District follows Colorado State Statutes regarding investments in that the District has entered into a Trust Agreement with a Colorado bank to oversee the pension fund investments. Therefore, the pension investments are not limited to those described above applicable to local governments. A portion of the Plan's investments are invested in stock and mutual funds. These investments are unrated.

Interest Rate Risk

Colorado Revised Statutes follow the prudent investor concept for investment for fire pension assets. The District follows State statutes and has not adopted a policy specifically related to interest rate risk.

As of December 31, 2025 the Volunteers' Pension Plan held the following investments:

Investment	Rating	Maturity	Carrying Value
Various Mutual Funds	Not rated	None stated	$ 1,135,333

The pension funds are invested in numerous mutual and money market funds of varying classes and composition. The mutual and money market funds invest in corporate stock and bonds, U.S. Treasury investments, U.S Government agencies, municipal bonds, loans, real estate investments, and other. The mutual and money market funds are not rated by the standard rating agencies.

Investment Valuation

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

The Volunteers' Pension Plan investments are not categorized within the fair value hierarchy. The Volunteers' Pension Plan invests in numerous mutual and money market funds which are valued using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments.

NOTE 4 - CAPITAL ASSETS

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

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 166,265	$ -	$ -	$ 166,265
Construction in progress	1,174,113	412,135	-	1,586,248
Total capital assets, not being depreciated	1,340,378	412,135	-	1,752,513
Capital assets, being depreciated:				
Buildings and improvements	4,129,789	28,174	-	4,157,963
Vehicles and equipment	5,384,445	1,169,740	-	6,554,185
Total capital assets, being depreciated	9,514,234	1,197,914	-	10,712,148
Less accumulated depreciation for:				
Buildings and improvements	(960,762)	(109,236)	-	(1,069,998)
Vehicles and equipment	(2,872,057)	(506,259)	-	(3,378,316)
Total accumulated depreciation	(3,832,819)	(615,495)	-	(4,448,314)
Total capital assets, being depreciated, net	5,681,415	582,419	-	6,263,834
Government capital assets, net	$ 7,021,793	$ 994,554	$ -	$ 8,016,347

Depreciation of $615,495 was charged to the fire protection – operations function in the statement of activities.

NOTE 5 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

Statewide Pension Plan

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

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado ("FPPA"). The SRP consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension income/expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SRP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions)

are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the SRP

Plan description. The Defined Benefit Component and the Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the SRP may include fire department clerical and other personnel whose services are auxiliary to fire protection. As of January 1, 2020, the Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under SRP.

The SRP assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

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

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

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

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

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' of base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years' of base salary for

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

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

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

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

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the member contribution rate beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of pensionable earnings. These increases result in a combined contribution rate of 25 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 10.75 percent.

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

combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

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

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

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

Total contributions to the SRP from the District were $379,954 for the year ended December 31, 2025.

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

As of December 31, 2025, the District reported a net pension asset/liability of $0 for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of December 31, 2024, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of January 1, 2025. The District’s proportion of the net pension asset/liability was based on District contributions to the SRP for the calendar year 2024 relative to the total contributions of participating employers to the SRP.

As of December 31, 2025, the District’s proportion was 0.2845304%, which was a decrease of 0.0287940% from its proportionate share as of December 31, 2024.

For the year ended December 31, 2025, the District recognized a net pension expense of $462,706. As of December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 683,723	$ (21,386)
Changes of assumptions or other inputs	244,698	-
Net difference between projected and actual earnings on pension plan investments	97,129	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	(165,441)
Contributions subsequent to the measurement date	379,954	-
Total	$ 1,405,504	$ (186,827)

The $379,954 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2026.

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

Year Ending December 31	
2026	$ 240,429
2027	380,911
2028	(2,020)
2029	15,678
2030	83,328
Thereafter	120,397
	$ 838,723

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

Actuarial Method	Entry Age Normal
Amortization Method	Not Applicable
Amortization Period	Not Applicable
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	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 with the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020

Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

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

Discount rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which established the contractually required rates under Colorado Statutes. Based on those assumptions, the SRP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The COLA assumption reflects the true nature of the Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the COLA assumption will fluctuate from year to year depending on plan experience as is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption greater than 0.0%, then a COLA assumption of 0.0% will be used and a Net Pension Liability will be reported.

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

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

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

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Proportionate share of the net pension (asset) liability - SRP	$ 1,388,483	$ -	$ -

The net pension liability of $0 reflects a reserve for cost-of-living adjustments and to manage adverse experience of $409,034 at a 7.00 percent discount rate and $1,897,546 at an 8.00 percent discount rate.

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

NOTE 6 – STATEWIDE DEATH AND DISABILITY PLAN

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1098 pursuant to Colorado Revised Statutes. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and

required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.5% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.6% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is making the entire 3.6% contribution on behalf of the members. For the year ending December 31, 2025, the District's contributions to the SWD&DP on behalf of the employees was $135,132 equal to the required contributions for each year.

NOTE 7 – DEFERRED COMPENSATION PLAN

All paid firefighters and certain administrative employees are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457 (Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by FPPA, allows all paid firefighters the opportunity to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefits of the participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits.

Plan members contributed $111,050 of pre-tax contributions and $531 of post-tax contributions to the Deferred Compensation Plan for the year ended December 31, 2025. The District made a $22,700 one-time contribution for the year ended December 31, 2025.

Deferred Compensation Plan investment purchases are determined by the individual participants and therefore, the Deferred Compensation Plan's investment concentration varies between participants.

The District has no liability for losses under the Deferred Compensation Plan. Accordingly, the Deferred Compensation Plan is not part of the District's financial statements.

NOTE 8 – VOLUNTEERS' PENSION PLAN

Plan Description

Plan administration: The District administers a single-employer defined benefit pension plan for the benefit of its volunteers, the Volunteers' Pension Plan (VPP). The VPP was established pursuant to the authority of Title 31, Article 30, Part 11 of the Colorado Revised Statutes. The VPP is defined as a defined benefit plan and provides retirement benefits for members and beneficiaries according to the VPP provisions as enacted and governed by the Pension Fund

Board of Trustees. The VPP's assets may be used only for the payment of benefits to the members of the VPP, in accordance with the terms of the VPP.

The Pension Fund's Board of Trustees is comprised of the five Directors of the District, plus two individuals elected from one or more of the following groups to the extent such groups exist at the time of election: active District volunteers, retired District volunteers, or retired District volunteers returned to active service pursuant to section C.R.S. 31-30-1132.

Plan membership: As of December 31, 2025, there are 16 retired volunteers receiving benefits and 4 surviving spouses receiving benefits, 1 inactive volunteer who is vested in the VPP. On May 19, 2015 the District Board of Directors adopted a resolution which closed the Volunteer Pension Fund to new members.

Benefits provided: Volunteer firefighters who complete the minimum annual training required by the State and the District are eligible to participate in the plan for that year. The plan provides for a monthly pension benefit as follows:

Normal Retirement Benefit (Monthly)	
Regular	$ 475.00
Vested Retirement Benefit (Monthly)	
With 20 or more years of service not yet age 50, but payable at age 50	$ 475.00
With 10 to 20 year sof service, amount per year of service (10 year minimum)	$ 23.75
Disability Retirement Benefit (Monthly)	
Short term disability for line of duty injury, amount payable for not more than 1 year	$ 237.50
Survivor Benefits (Monthly)	
Following death before retirement; due to death in the line of duty as a volunteer firefighter	$ 237.50
Following death after normal retirement	$ 237.50
Following death after vested retirement with 20 or more years of service	$ 237.50
Following death after vested retirement with 10 to 20 years of service, amount per year of service	$ 11.88
Funeral benefit (Required Benefit)	
Funeral benefit lump sum, one time only	$ 100.00

Effective July 14, 2026, the District Board of Directors approved increasing the monthly pension benefit up to a maximum of $600 depending on years of service and standing with the District.

Contributions: The District makes contributions based upon District established benefits and funding requirements based upon an actuarial study. VPP members do not make contributions. The State of Colorado also contributes to the VPP in an amount set by statute.

Investments

Investment policy: The VPP's investment policies are in accordance with C.R.S. 31-30-1113. The VPP's investments are administered by a bank trustee. State statutes allow the trustee to invest the fund in accordance with Article 1.1 of Title 15 of the C.R.S.

Concentrations: As of December 31, 2025, the District invested more than five percent (5%) of the VPP's net position in the following investments:

JP Morgan Equity Index Fund Class R6 Fund	$141,223
Tributary Short/Intermediate Bond Fund Institutional	$195,779
Tributary Income Fund Institutional Plus	$155,236
JP Morgan Hedged Equity Fund Series 1	$ 75,360
Vanguard Growth Index Fund	$ 59,296

Rate of return: For the year ended December 31, 2025, the annual money-weighted rate of return on VPP investments, net of VPP investment expense, was a positive 7.572%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability/(asset) of the District as of December 31, 2025, were as follows:

Total pension liability	$ 1,009,175
Plan fiduciary net position	(1,091,171)
Net pension liability/(asset)	$ (81,996)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	108.13%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods include in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	20 years
Asset valuation method	Market value
Inflation	Implicit
Investment rate of return	5.0% per annum (net of operating expenses), compounded annually
Projected salary increases	Not applicable
Retirement age	Age 50 and 20 years of service. 50% probability for ages 50-64, 100% probability at age 65
Mortality	For retired members, Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

Post-Retirement mortality rates are based on the Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale. *Disabled Retiree* mortality rates are based on Pub-2010 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.

Single Discount rate: The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the 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 (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 5.00%; the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 5.00%.

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability(Asset) (a) - (b)**
Balances at 12/31/2024	$ 1,043,237	$ 1,043,311	$ (74)
Changes for the year:			
Interest on the total pension liability	50,084	-	50,084
Benefit payments	(84,146)	(84,146)	-
District contributions	-	15,000	(15,000)
State of Colorado contributions	-	13,500	(13,500)
Pension plan net investment income (loss)	-	103,867	(103,867)
Administrative expense	-	(361)	361
Net Changes	(34,062)	47,860	(81,922)
Balances at 12/31/2025	$ 1,009,175	$ 1,091,171	$ (81,996)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the District, calculated using the discount rate of 5.0 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.0 percent) or 1-percentage-point higher (6.0 percent) than the current rate:

	1% Decrease 4.00%	Single Discount Rate Assumption 5.00%	1% Increase 6.00%
District's net pension liability/(asset) - VPP	$ 25,127	$ (81,996)	$ (171,557)

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

For the year ended December 31, 2025, the District recognized pension income of $19,484.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ (13,293)
Contributions subsequent to the measurement date	15,000	-
Total	$ 15,000	$ (13,293)

The $15,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ending December 31, 2026.

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

Year Ending December 31	
2026	$ 4,694
2027	18,900
2028	(26,270)
2029	(10,617)
	$ (13,293)

NOTE 9 - FUND EQUITY

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

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of $319,000 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

The restricted fund balance in the Impact Fees Fund in the amount of $80,337 is restricted for capital asset purchases and capital improvements.

Assigned Fund Balance

The assigned fund balance in the Capital Projects Fund in the amount of $13,641,886 is comprised of amounts assigned by the Board of Directors by a resolution to be used for various capital asset purchases and capital improvements.

NOTE 10 - NET POSITION

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

The investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the net investment in capital assets was $8,016,347.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of $319,000 as of December 31, 2025 as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 12). The restricted net position in the amount of $80,337 is restricted for capital asset purchases and capital improvements.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees and volunteers, or acts of God. The District maintains commercial insurance for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability, and public official bond. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

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

On May 7, 1996, a majority of the District’s electors authorized the District to collect, retain and spend all revenue and proceeds from any revenue source since December 30, 1992 and that any revenue received in excess of TABOR limitations be restricted for capital expenditures.

On November 2, 2004, a majority of the District's electors passed the following ballot question:

> Shall the Hudson Fire Protection District be authorized to collect, retain and spend all revenues and other funds collected from ad valorem property taxes and any other source, effective January 1, 2005, and every year thereafter, provided that the District's mill levy shall not be increased without voter approval, as a voter approved revenue change and an exception to the limits which would otherwise apply, including without limitation the revenue and spending limits of Article X, Section 20 of the Colorado Constitution, Section 29-1-301, Colorado Revised Statutes, or any other law?

On November 8, 2016, a majority of the District's electors passed the following ballot question:

> Shall Hudson Fire Protection District taxes be increased $1,225,000 (first full fiscal year dollar increase) annually beginning in levy year 2016 (for collection in calendar year 2017) by increasing the District's existing property tax by 2.5 mills to be used for the District's general operation and administration, all revenue from the 2.5 mills and any earnings on this tax, constituting a permanent voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes, and any other law?

On November 6, 2018, a majority of the District's electors passed the following ballot question:

> Shall Hudson Fire Protection District taxes be increased $2,160,000 (first full fiscal year dollar increase) annually, beginning in levy year 2018 (for collection in calendar year 2019) by increasing the District's existing property tax by 3.2 mills, to enable the District to continue providing critical fire, emergency medical, rescue and other emergency and non-emergency support services to its fast-growing communities, and shall all revenue and any earnings on this tax constitute a permanent voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes, and any other law?

On November 4, 2025, a majority of the District's electors passed the following ballot question:

> Shall Hudson Fire Protection District taxes be increased $3.1 million (first full fiscal year dollar increase) annually, beginning in levy year 2025 (for collection in calendar year 2026) by increasing the District's existing property tax by 3.0 mills, to be used for funding any and all costs related to emergency services, including but not limited to: establishment of a District-run ambulance service; hiring of paramedics; and purchase of ambulances and operating equipment, including basic first aid and advance life support (ALS) equipment; and shall all revenue and any earnings on the District's total ad valorem property tax constitute a permanent voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set for in Section 29-1-301 of the Colorado Revised Statutes, and any other law?

Property Tax Limitations

Part 17 of Article 1 of Title 29 of the Colorado Revised Statutes contains limitations on the amount of revenues that can be generated from property taxes that apply to certain local governments within the State of Colorado. Subject to certain exclusions and exemptions, property tax revenue is limited to a 5.25% increase (or 10.50% over a two-year assessment period). The District's management believes the District is in compliance with the provisions of the statute; however, the statute is complex and subject to interpretation.

NOTE 13 – CONTRACTUAL COMMITMENTS

During 2023, the District entered into a contract for the purchase of a Pierce Enforcer 107' PUC Quint (Apparatus) in the amount of $1,571,337. The contract requires payments in certain intervals, with the first $572,717 payment due in January 2024, the second payment of $572,717 due in January 2025, and the final payment of $425,903 due 10 days after the District acceptance of the Apparatus. As of December 31, 2025, the District has made first two installment payments, leaving a remaining contract commitment of $425,903 as of December 31, 2025.

During 2025, the District entered into a contract for the addition of a fitness room to one of the fire stations in the amount of $261,602. As of December 31, 2025, there was a remaining contract commitment of $48,266.

During 2025, the District entered into a contract for the purchase of a 2024 Ram 5500 Arrow Ambulance in the amount of $331,500. The contract required a down payment of $132,600, which was made by the District during 2025, leaving a remaining contract amount of $198,900 as of December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement period ending December 31,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
District's Proportion of the Net Pension Liability (Asset)	0.2845305%	0.2557364%	0.2595336%	0.2840170%	0.2596601%	0.2089137%	0.1845356%	0.1783313%	0.1710590%	0.1221269%
Disrict's Proportionate Share of the Net Pension Liability (Asset)	$ -	$ -	$ 230,365	$ (1,539,184)	$ (563,723)	$ (118,154)	$ 233,304	$ (256,558)	$ 61,810	$ (2,153)
District's Covered Payroll	$ 2,949,670	$ 2,627,203	$ 2,282,605	$ 2,291,876	$ 2,085,606	$ 1,539,759	$ 1,236,136	$ 1,044,245	$ 875,459	$ 592,036
Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.0%	0.0%	10.1%	-67.2%	-27.0%	-7.7%	18.9%	-24.6%	7.1%	0.4%
Calculation of Collectvie Net Pension Liability (Asset):										
Total Pension Liability	$ 4,716,284,644	$ 4,212,130,287	$ 3,752,109,029	$ 3,352,605,624	$ 3,230,485,701	$ 2,919,378,738	$ 2,653,120,261	$ 2,269,410,684	$ 2,021,526,883	$ 1,846,961,999
Plan Fiduciary Net Position	(4,716,284,644)	(4,212,130,287)	(3,663,348,061)	(3,894,539,387)	(3,447,586,098)	(2,975,935,079)	(2,526,692,808)	(2,413,276,447)	(1,985,393,043)	(1,848,724,853)
Net Pension Liability (Asset)	$ -	$ -	$ 88,760,968	$ (541,933,763)	$ (217,100,397)	$ (56,556,341)	$ 126,427,453	$ (143,865,763)	$ 36,133,840	$ (1,762,854)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%

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

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS -
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE RETIREMENT PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 379,954	$ 294,966	$ 249,585	$ 203,218	$ 194,344	$ 166,849	$ 123,181	$ 98,890	$ 83,449	$ 70,036
Contributions in Relation to the Contractually Required Contribution	(379,954)	(294,966)	(249,585)	(203,218)	(194,344)	(166,849)	(123,181)	(98,890)	(83,449)	(70,036)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,635,752	$ 2,946,670	$ 2,627,203	$ 2,282,605	$ 2,291,876	$ 2,085,606	$ 1,539,759	$ 1,236,136	$ 1,044,245	$ 875,459
Contributions as a Percentage of Covered Payroll	10.5%	10.0%	9.5%	8.9%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS OF THE VOLUNTEERS' PENSION PLAN
LAST TEN FISCAL YEARS

Measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ -	$ 1,692	$ 1,692	$ 1,689	$ 1,689	$ 4,590	$ 4,590	$ 5,868	$ 5,868	$ 5,868
Interest	50,084	51,912	53,341	55,985	57,172	60,975	61,711	62,298	63,053	68,917
Differences between expected and actual experience	-	(11,026)	-	(27,757)	-	(47,789)	-	(48,012)	-	(107,138)
Changes of assumptions	-	6,101	-	-	-	(9,083)	-	49,142	-	-
Benefit payments	(84,146)	(84,645)	(82,626)	(82,959)	(83,220)	(83,386)	(78,660)	(82,128)	(85,927)	(83,932)
Net change in total pension liability	(34,062)	(35,966)	(27,593)	(53,042)	(24,359)	(74,693)	(12,359)	(12,832)	(17,006)	(116,285)
Total pension liability - beginning	1,043,237	1,079,203	1,106,796	1,159,838	1,184,197	1,258,890	1,271,249	1,284,081	1,301,087	1,417,372
Total pension liability - ending (a)	$ 1,009,175	$ 1,043,237	$ 1,079,203	$ 1,106,796	$ 1,159,838	$ 1,184,197	$ 1,258,890	$ 1,271,249	$ 1,284,081	$ 1,301,087
Plan fiduciary net position										
District contribution	$ 15,000	$ 15,000	$ 15,000	$ 100,000	$ 40,000	$ 40,000	$ 50,000	$ 50,000	$ 60,000	$ 60,000
State participation contribution	13,500	27,050	-	27,100	-	13,550	13,550	13,550	13,500	13,500
Net investment income (loss)	103,867	125,367	(167,259)	124,376	100,402	122,937	(22,376)	85,222	27,450	(32,278)
Benefit payments	(84,146)	(84,645)	(82,626)	(82,959)	(83,220)	(83,386)	(78,660)	(82,128)	(85,927)	(83,932)
Administrative expenses	(361)	(4,700)	(10,775)	(4,861)	(11,023)	(5,498)	(10,523)	(4,862)	(6,075)	(2,634)
Net change in plan fiduciary net position	47,860	78,072	(245,660)	163,656	46,159	87,603	(48,009)	61,782	8,948	(45,344)
Plan fiduciary net position - beginning	1,043,311	965,239	1,210,899	1,047,243	1,001,084	913,481	961,490	899,708	890,710	936,004
Plan fiduciary net position - ending (b)	$ 1,091,171	$ 1,043,311	$ 965,239	$ 1,210,899	$ 1,047,243	$ 1,001,084	$ 913,481	$ 961,490	$ 899,658	$ 890,660
District's net pension liability/(asset)- ending (a) - (b)	$ (81,996)	$ (74)	$ 113,964	$ (104,103)	$ 112,595	$ 183,113	$ 345,409	$ 309,759	$ 384,423	$ 410,427
Plant fiduciary net position as a percentage of the total pension liability/(asset)	108.13%	100.01%	89.44%	109.41%	90.29%	84.54%	72.56%	75.63%	70.06%	68.46%
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

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF THE NET PENSION LIABILITY - VOLUNTEERS' PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability	$ 1,009,175	$ 1,043,237	$ 1,079,203	$ 1,106,796	$ 1,159,838	$ 1,184,197	$ 1,258,890	$ 1,271,249	$ 1,284,081	$ 1,301,087
Plan Fiduciary Net Position	(1,091,171)	(1,043,311)	(965,239)	(1,210,899)	(1,047,243)	(1,001,084)	(913,481)	(961,490)	(899,658)	(890,660)
Net Pension Liability/(Asset)	$ (81,996)	$ (74)	$ 113,964	$ (104,103)	$ 112,595	$ 183,113	$ 345,409	$ 309,759	$ 384,423	$ 410,427
Plan Fiduciary Net Position as a % of Total Liability/(Asset)	108.13%	100.01%	89.44%	109.41%	90.29%	84.54%	72.56%	75.63%	70.06%	68.46%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS - VOLUNTEERS' PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 7,732	$ 7,732	$ 1,482	$ 1,482	$ 23,289	$ 23,289	$ 32,525	$ 32,525	$ 38,014	$ 38,014
Contributions in relation to the actuarially determined contribution:										
District contributions	15,000	15,000	15,000	15,000	100,000	40,000	40,000	50,000	60,000	60,000
State of Colorado contributions	13,500	27,050	13,500	-	27,100	-	13,550	13,550	13,550	13,550
Total combined contributions	28,500	42,050	28,500	15,000	127,100	40,000	53,550	63,550	73,550	73,550
Contribution deficiency (excess)	$ (20,768)	$ (34,318)	$ (27,018)	$ (13,518)	$ (103,811)	$ (16,711)	$ (21,025)	$ (31,025)	$ (35,536)	$ (35,536)
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 percent of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule
Valuation date: January 1, 2024

Actuarially determined contribution rates are calculated as of January 1

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization method	20 years
Asset valuation method	Market value
Inflation	Implicit
Investment rate of return	5.00%
Salary increases	Not applicable
Cost-of-living adjustments	0.0%
Retirement age	50% rate assumed until age 65 at which 100% retirement is assumed
Mortality	Post-Retirement mortality rates are based on the Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale. Disabled Retiree mortality rates are based on Pub-2010 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.

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF PENSION INVESTMENT RETURNS -
VOLUNTEERS' PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal Year Ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	7.572%	7.935%	10.818%	-4.153%	13.781%	8.433%	12.819%	-3.617%	6.670%	1.254%

SUPPLEMENTARY INFORMATION

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
VOLUNTEERS' PENSION FUND -
BUDGET AND ACTUAL
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
ADDITIONS			
General fund contribution	$ 15,000	$ 15,000	$ -
State participation contribution	13,550	13,500	(50)
Investment income (loss)	15,000	113,157	98,157
Total additions	43,550	141,657	98,107
DEDUCTIONS			
Benefit payments	86,000	82,650	3,350
Insurance	300	200	100
Investment expense	7,000	5,579	1,421
Directors' fees	600	69	531
Payroll taxes	50	6	44
Administrative	100	-	100
Actuary study	6,000	4,500	1,500
Contingency	7,000	-	7,000
Total deductions	107,050	93,004	14,046
NET INCREASE (DECREASE) IN NET POSITION	(63,500)	48,653	112,153
NET POSITION - BEGINNING	1,009,191	1,091,171	81,980
NET POSITION - ENDING	$ 945,691	$ 1,139,824	$ 194,133

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
EXPENDITURES				
Administration				
Salaries and Wages:				
Salaries and longevity	$ 3,687,536	$ 3,687,536	$ 3,670,444	$ 17,092
Directors' fees	12,000	12,000	6,036	5,964
Backfill	475,000	475,000	747,860	(272,860)
Stipends and internships	-	-	-	-
Bi-lingual credit	7,200	7,200	-	7,200
Holiday credit	100,000	100,000	31,000	69,000
Educational credit	45,000	45,000	91,691	(46,691)
Total Salaries and Wages	4,326,736	4,326,736	4,547,031	(220,295)
Employee Benefits and Taxes:				
FPPA retirement	390,000	390,000	399,230	(9,230)
Death and disability	140,000	140,000	135,132	4,868
115 Trust contribution	40,000	40,000	36,184	3,816
Medical/dental/vision/short-term disability	600,000	600,000	397,012	202,988
Payroll processing	3,000	3,000	2,295	705
Unemployment taxes	15,000	15,000	6,870	8,130
Payroll taxes	-	-	67,573	(67,573)
Medicare tax	65,000	65,000	2,309	62,691
HRA reimbursement	15,000	15,000	2,000	13,000
Tuition reimbursement	15,000	15,000	10,500	4,500
Group life insurance	20,000	20,000	7,480	12,520
Workers compensation insurance	91,000	91,000	65,307	25,693
Employee benefits	12,500	12,500	5,125	7,375
Total Employee Benefits and Taxes	1,406,500	1,406,500	1,137,017	269,483
Office and Other:				
General office supplies	10,000	10,000	3,585	6,415
Postage	1,500	1,500	1,751	(251)
Memorial/gifts	10,000	10,000	108	9,892
Awards and recognition	-	-	266	(266)
Annual banquet	-	-	1,983	(1,983)
Computer maintenance and supplies	20,000	20,000	18,510	1,490
Technology subscriptions/dues	105,000	105,000	72,543	32,457
Cell phones and accessories	-	-	9,740	(9,740)
Provisions District	15,000	15,000	7,391	7,609
Membership expenses	40,000	40,000	-	40,000
District travel (tolls & mileage)	3,000	3,000	1,636	1,364
Ambulance contract	367,500	367,500	195,177	172,323
Total Office and Other	572,000	572,000	312,690	259,310
Professional Services and Insurance:				
County Treasurer's fees	139,852	139,852	139,826	26
Property insurance	75,000	75,000	48,548	26,452
Printing and publishing	500	500	360	140
Bank fees	100	100	76	24
Legal fees	70,200	70,200	64,185	6,015
Elections	30,000	30,000	109,425	(79,425)
Audit/budget	9,800	9,800	13,978	(4,178)
Professional services - other	75,000	75,000	39,042	35,958
Dispatch fees	35,000	35,000	25,354	9,646
Background check	-	-	282	(282)
Physicals/drug testing	-	-	23,637	(23,637)
Total Professional Services and Insurance	435,452	435,452	464,713	(29,261)
Total Administration	6,740,688	6,740,688	6,461,451	279,237

(continued)

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2025
(continued)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Operations				
Training Division:				
Certifications and testing	5,000	5,000	3,186	1,814
Training	77,500	77,500	31,297	46,203
Training supplies/props	25,000	25,000	18,293	6,707
Travel	-	-	23,088	(23,088)
Total Training Division	107,500	107,500	75,864	31,636
Fire Prevention Division:				
Public relations/education	12,500	12,500	16,469	(3,969)
Total Fire Prevention Division	12,500	12,500	16,469	(3,969)
EMS Division:				
Equipment	30,000	30,000	17,834	12,166
Supplies - disposable	-	-	49,430	(49,430)
Equipment - testing and repair	4,000	4,000	-	4,000
Total EMS Division	34,000	34,000	67,264	(33,264)
Uniforms/PPE:				
Uniforms	40,000	40,000	29,331	10,669
PPE	40,000	40,000	53,317	(13,317)
PPE repair	1,000	1,000	28	972
Total Uniforms/PPE	81,000	81,000	82,676	(1,676)
Equipment Maintenance and Testing:				
Firefighting equipment	150,000	150,000	35,285	114,715
Firefighting equipment repair	5,600	5,600	858	4,742
Firefighting supplies - disposable	4,000	4,000	2,017	1,983
Annual fire equipment testing	11,000	11,000	18,173	(7,173)
Radios and accessories	70,000	70,000	12,368	57,632
Radio testing	3,000	3,000	37	2,963
Total Equipment Maintenance and Testing	243,600	243,600	68,738	174,862
Other:				
Deployment expenses	50,000	50,000	44,132	5,868
Total Other	50,000	50,000	44,132	5,868
Total Operations	528,600	528,600	355,143	173,457
Fleet and Facilities				
Fleet:				
Fuel	60,000	60,000	38,144	21,856
Maintenance labor	125,000	125,000	42,085	82,915
Vehicle parts	-	-	66,938	(66,938)
Vehicle licensing	-	-	59	(59)
Total Fleet	185,000	185,000	147,226	37,774
Station Maintenance:				
Station 1	50,000	50,000	25,946	24,054
Station 2	-	-	1,785	(1,785)
Station 3	-	-	12,067	(12,067)
Total Station Maintenance	50,000	50,000	39,798	10,202
Station Supplies:				
Station 1	-	-	10,156	(10,156)
Total Station Supplies	-	-	10,156	(10,156)
Station Utilities:				
Internet/television/telephone	28,000	28,000	10,798	17,202
Natural gas	20,000	20,000	9,774	10,226
Electricity	20,000	20,000	16,529	3,471
Trash service	4,000	4,000	5,237	(1,237)
Water and sewer	8,000	8,000	3,601	4,399
Wellness equipment	10,000	10,000	-	10,000
Security	5,000	5,000	-	5,000
Total Station Utilities	95,000	95,000	45,939	49,061
Total Fleet and Facilities	330,000	330,000	243,119	86,881

(continued)

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2025
(continued)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Capital Outlay				
Buildings Improvements:				
Station 1 - capitalized	75,000	75,000	28,174	46,826
Station 1 - not capitalized	-	-	19,471	(19,471)
Station 2 - capitalized	5,000	5,000	-	5,000
Station 3 - capitalized	75,000	75,000	-	75,000
Station 3 - not capitalized	-	-	39,861	(39,861)
Total Buildings Improvements	155,000	155,000	87,506	67,494
Furniture and Fixtures:				
Station 1	75,000	75,000	-	75,000
Station 3 - capitalized	-	-	7,200	(7,200)
Station 3 - not capitalized	-	-	20,103	(20,103)
Total Furniture and Fixtures	75,000	75,000	27,303	47,697
Vehicles and Major Equipment:				
Capital Major Equipment	300,000	300,000	52,279	247,721
Total Vehicles and Major Equipment	300,000	300,000	52,279	247,721
Total Capital Outlay	530,000	530,000	167,088	362,912
Transfers Out				
Capital Projects Fund	9,650,000	14,750,000	14,750,000	-
Total Transfers Out	9,650,000	14,750,000	14,750,000	-
Contribution to Volunteers' Pension Plan	15,000	15,000	15,000	-
Contingency	300,000	300,000	-	300,000
TOTAL EXPENDITURES	$ 18,094,288	$ 23,194,288	$ 21,991,801	$ 1,202,487

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Net investment income	$ 400,000	$ 400,000	$ 414,282	$ 14,282
Total revenues	400,000	400,000	414,282	14,282
EXPENDITURES				
Capital outlay:				
Fire stations	-	-	270,224	(270,224)
Staff and firefighting vehicles	750,000	750,000	9,310	740,690
Ambulances	-	1,200,000	838,286	361,714
Equipment	-	-	404,576	(404,576)
Total expenditures	750,000	1,950,000	1,522,396	427,604
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(350,000)	(1,550,000)	(1,108,114)	441,886
OTHER FINANCING SOURCES				
Transfer in	9,650,000	14,750,000	14,750,000	-
Total other financing sources	9,650,000	14,750,000	14,750,000	-
NET CHANGE IN FUND BALANCE	9,300,000	13,200,000	13,641,886	441,886
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	$ 9,300,000	$ 13,200,000	$ 13,641,886	$ 441,886

HUDSON FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - IMPACT FEES FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Impact fees	$ -	$ 80,168	$ 80,168
Net investment income	-	169	169
Total revenues	-	80,337	80,337
EXPENDITURES			
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	-	80,337	80,337
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 80,337	$ 80,337

OTHER INFORMATION

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

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes Levied	Total Property Taxes Collected Currently	Percent Collected to Levied
2006	$ 184,342,050	3.550	$ 654,414	$ 652,581	99.72%
2007	$ 182,114,570	3.536	$ 644,139	$ 643,919	99.97%
2008	$ 177,315,360	3.536	$ 626,987	$ 601,836	95.99%
2009	$ 169,744,180	3.697	$ 627,544	$ 626,298	99.80%
2010	$ 206,371,540	3.537	$ 729,936	$ 726,324	99.51%
2011	$ 212,536,950	3.552	$ 754,931	$ 752,553	99.68%
2012	$ 220,369,670	3.555	$ 783,414	$ 783,544	100.02%
2013	$ 263,453,960	3.536	$ 931,573	$ 931,564	100.00%
2014	$ 346,029,967	3.536	$ 1,223,561	$ 1,212,180	99.07%
2015	$ 776,803,020	3.550	$ 2,757,650	$ 2,754,862	99.90%
2016	$ 864,328,680	3.547	$ 3,065,773	$ 3,062,682	99.90%
2017	$ 461,921,990	6.044	$ 2,791,856	$ 2,790,396	99.95%
2018	$ 554,301,820	6.039	$ 3,347,429	$ 3,336,156	99.66%
2019	$ 676,099,050	9.251	$ 6,254,592	$ 6,097,603	97.49%
2020	$ 753,600,970	9.444	$ 7,117,008	$ 7,113,498	99.95%
2021	$ 1,019,270,810	9.240	$ 9,418,062	$ 9,416,735	99.99%
2022	$ 594,630,610	9.240	$ 5,494,387	$ 5,494,781	100.01%
2023	$ 868,644,320	9.236	$ 8,022,799	$ 7,848,956	97.83%
2024	$ 1,300,992,500	9.370	$ 12,190,300	$ 12,473,934	102.33%
2025	$ 1,008,815,490	9.242	$ 9,323,473	$ 9,316,318	99.92%
Estimated for the year ending December 31,					
2026	$ 1,095,519,760	12.237	$ 13,405,875		

NOTE:
Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.