

**JEFFERSON-COMO FIRE PROTECTION
DISTRICT**

Park County, Colorado

**FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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Independent Auditor's Report

Board of Directors
Jefferson-Como Fire Protection District
Park County, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Jefferson-Como 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 the Net Pension Liability/(Asset) – Fire and Police Pension Association – Statewide Retirement Plan on page 28, the Schedule of District Contributions – Fire and Police Pension Association – Statewide Retirement Plan on page 29, the Schedule of Changes in Net Pension Liability/(Asset) – Volunteer Firefighters' Pension Plan on page 30, the Schedule of District Contributions – Volunteer Firefighters' Pension Plan on page 31, and the Schedule of the Net Pension Liability/(Asset) – Volunteer Firefighters' Pension Plan on page 32 be presented to

supplement the basic financial statements. Such information, 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 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.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 8, 2026

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Position presents information on all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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 a governmental fund.

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

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

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 the governmental fund and governmental activities.

The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund has been provided to demonstrate compliance with the appropriated budget.

The governmental fund financial statements and the budgetary comparison statement for the General Fund can be found on pages 3 through 6 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 7-27 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information consisting of: the Schedule of Proportionate Share of the Net Pension Liability/(Asset) – 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 Net Pension Liability/(Asset) – Volunteer Firefighters' Pension Plan; the Schedule of District Contributions – Volunteer Firefighters' Pension Plan; and the Schedule of the Net Pension Liability/(Asset) – Volunteer Firefighters' Pension Plan, which can found on pages 28 through 32 of this report. Also included is supplemental information consisting of the Schedule of Expenditures – Budget and Actual – General Fund which can be found on page 33 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As noted in the table below, in the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$4,640,475 as of December 31, 2025.

A large portion of the District's net position reflects its investment in capital assets (e.g. land, buildings and improvements, fire trucks and accessories, fire equipment (excluding vehicles), and furniture and fixtures) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

As noted in the table below, current assets increased by \$269,941 from 2024. This increase is primarily the result of an increase in the District's cash and investments of \$69,466 due to positive operating results for 2025, an increase in accounts receivable of \$93,736 due wildland fire deployment reimbursements receivable as of yearend, and an increase in the property taxes receivable of \$104,839 for property taxes levied for collection in 2026. Although there was a decrease in the District's assessed valuation for property taxes levied for collection in 2026, the District increased its mill levy, which resulted in an increase in property taxes receivable and deferred property taxes of \$104,839. The net pension asset decreased by \$74,423, as a result of the most recent pension calculations for both the Volunteer Firefighters' Pension Plan

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

(VFPP). The Statewide Retirement Plan (SRP) reported a net pension (asset)/liability of \$0 as of the end of 2025, the same as the end of 2024. The deferred outflows related to pensions decreased by \$109,606 and the deferred inflows related to pensions decreased by \$72,295 because of the most recent pension calculations in accordance with GASB 68. Capital asset and lease activity is discussed in the capital asset and long-term obligation administration section of this management's discussion and analysis. Current liabilities decreased by \$51,707, or 35.6%, primarily due to lower accounts payable as of yearend.

See additional information regarding the changes in net position in the discussion below.

NET POSITION

	December 31,	
	2025	2024
ASSETS		
Current assets	\$ 4,499,613	\$ 4,229,672
Net pension assets	620,645	695,068
Capital assets	1,462,518	1,230,631
Total assets	<u>6,582,776</u>	<u>6,155,371</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	308,037	417,643
Total deferred outflows of resources	<u>308,037</u>	<u>417,643</u>
LIABILITIES		
Current liabilities	93,638	145,345
Accrued interest payable	4,791	6,230
Accrued paid time off	73,279	76,207
Lease payable due within one year	68,617	65,163
Lease payable due in more than one year	148,336	216,954
Total liabilities	<u>388,661</u>	<u>509,899</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax	1,824,440	1,719,601
Deferred inflows related to pensions	37,237	109,532
Total deferred inflows of resources	<u>1,861,677</u>	<u>1,829,133</u>
NET POSITION		
Net investment in capital assets	1,245,565	948,514
Restricted for emergencies	64,400	67,200
Unrestricted	3,330,510	3,218,268
Total net position	<u>\$ 4,640,475</u>	<u>\$ 4,233,982</u>

As noted in the table below, the District's overall financial position, as measured by net position, increased \$406,493 during 2025. For 2025, the District's revenue decreased by \$105,338 or 4.7%, due to a \$31,737 decrease in property tax revenue due to a decrease in assessed valuation and mill levy, the receipt of \$0 of State of Colorado backfill funding in 2025 when \$173,722 was received in 2024, a \$5,004 decrease in specific ownership taxes and a \$13,922

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

decrease in investment earnings due to higher invested balances and lower interest rates during 2025. These decreases were partially offset by an increase in wildland fire deployment income of \$126,108. Overall expenses increased by \$314,335 due to higher salaries, payroll taxes, benefits, and pension expenses.

CHANGES IN NET POSITION

	Years Ended December 31,	
	2025	2024
REVENUES		
Operating grants and contributions		
Mitigation impact, burn permit, and wildland fire	\$ 156,270	\$ 48,545
Capital grants and contributions		
Contribution capital projects	12,301	-
General revenues:		
Property taxes	1,714,946	1,746,683
Specific ownership taxes	153,750	158,754
State of Colorado backfill funding	-	173,722
Investment earnings	116,346	130,268
Miscellaneous	4,212	5,191
Total revenue	<u>2,157,825</u>	<u>2,263,163</u>
EXPENSES		
Public safety	1,737,820	1,416,181
Interest	13,512	20,816
Total operating expenses	<u>1,751,332</u>	<u>1,436,997</u>
CHANGE IN NET POSITION	406,493	826,166
NET POSITION - BEGINNING OF YEAR	<u>4,233,982</u>	<u>3,407,816</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,640,475</u></u>	<u><u>\$ 4,233,982</u></u>

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 fund: 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 General Fund reported an ending fund balance of \$2,581,535. Of this fund balance, \$64,400 is restricted, meaning it is not available for new spending, because it has been restricted for emergencies under the Taxpayers' Bill of Rights (TABOR). Additionally, \$23,944 of the fund balance is in nonspendable form as it represents prepaid expenditures for fiscal year 2026. Also, in preparing the 2026 Budget, the

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

Board of Directors assigned \$1,295,310 of the ending 2025 fund balance to be used for expenditures in 2026. The remaining \$1,197,881 of the fund balance is unassigned. See further explanation of fund balance categories in Note 2 of the Financial Statements. For 2025 the District's revenues exceeded expenditures by \$216,809, increasing fund balance from \$2,364,726 to \$2,581,535. The decreases in revenues were previously discussed above in the changes in net position section. The District did incur capital outlay during 2025 of \$384,757. Refer to the Capital Asset Administration section below for more information on the District's capital assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Variances. The District did not amend its original budget for 2025. The budget to actual comparison details can be seen on page 6 of the financial statements, with further detail on the budget to actual comparison for the expenditures in the supplemental information on page 33 of the financial statements. District revenues exceeded budgeted expectations by \$199,186, due to wildland fire income and net investment income exceeding budgeted amounts by \$125,367 and \$36,346, respectively. Actual expenditures were under budget by \$1,155,015 due to an overall favorable variance in many expenditure categories. The most significant of these categories included \$1,025,243 less spent on capital outlay due to fewer capital asset purchases than anticipated in 2025; \$22,411 less spent on fuel and vehicle maintenance in 2025 than anticipated; a \$28,852 favorable variance in utilities comprised of electricity and propane to heat the station due to lower propane prices than anticipated; an \$18,678 unfavorable variance in administration as a result of higher than anticipated salaries costs partially offset by lower than expected legal costs; a \$140,227 favorable variance in firefighting due to lower actual expenditures for supplies, support and training than had been anticipated; and the District appropriating a contingency of \$92,900 which was not utilized.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS ADMINISTRATION

Capital Assets. The District's investment in capital assets as of December 31, 2025 amounted to \$1,462,518 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and improvements, fire trucks and accessories, and fire equipment (excluding vehicles). The analysis of changes in capital assets is as follows:

	CAPITAL ASSETS (net of depreciation)		
	2024	Change	2025
Land	\$ 32,536	\$ -	\$ 32,536
Deposits and construction in progress	-	10,000	10,000
Buildings and improvements	444,780	207,568	652,348
Vehicles	617,356	(93,150)	524,206
Equipment	135,959	107,469	243,428
Total	<u>\$ 1,230,631</u>	<u>\$ 231,887</u>	<u>\$ 1,462,518</u>

During 2025, the District purchased equipment consisting of new mobile radios for \$11,231, a new air burner for \$87,900, a new vehicle lift for \$26,541, a multi force training door for \$9,505 and an extractor for cleaning the firefighters' PPE for \$5,830. Additionally, the District's building and building improvements consisted of remodeling Station #1 for \$151,959, constructing a new cistern for \$24,602, purchasing and installing a new generator for \$23,841, purchasing four new

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

storage containers for \$20,866 and installing new bay doors at Station #5 for \$12,482. Additionally, the District placed a deposit on a new firefighting vehicle in the amount of \$10,000. The vehicle is expected to be completed and delivered during 2026. The District had one capital asset disposal, a thermal imaging package. Additional information on the District's capital assets can be found in Note 4 of the Financial Statements.

Long-Term Obligations. During 2025, the District made the required principal and interest lease payment of \$80,115 on the 2023 lease. Lease payable decreased by \$65,164, to \$216,953, due to the principal paid on the lease. Additional information on the District's lease can be found in Note 5 of the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the property tax levied for collection during 2026, the District's assessed valuation decreased by 1.3% and the District increased the mill levy by .982 mills or 7.5%, resulting in the District budgeting to collect 6.1% more in property taxes in 2026. Total budgeted revenues for 2026 are \$2,054,160. For 2026, the District appropriated and budgeted General Fund expenditures of \$3,219,470. The District's 2026 budget anticipates a decrease in General Fund balance of \$1,295,310. The District's 2026 budget creates a new Wildfire Capital Fund with total budgeted revenues of \$147,000 and appropriated budgeted expenditures of \$120,000.

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: Jefferson-Como Fire Protection District, P.O. Box 380, Como, CO 80432.

BASIC FINANCIAL STATEMENTS

JEFFERSON-COMO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2025

ASSETS

Cash and investments	\$ 2,545,532
Due from other government	11,961
Accounts receivable	93,736
Property tax receivable	1,824,440
Prepaid insurance	23,944
Net pension asset - VFPP	620,645
Capital assets, not being depreciated	42,536
Capital assets, being depreciated, net	1,419,982
Total assets	<u>6,582,776</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension - SRP	263,700
Deferred outflows related to pension - VFPP	44,337
Total deferred outflows of resources	<u>308,037</u>

LIABILITIES

Accounts payable	43,795
Wages and payroll taxes payable	49,843
Accrued interest payable	4,791
Accrued paid time off	73,279
Lease payable:	
Due within one year	68,617
Due in more than one year	148,336
Total liabilities	<u>388,661</u>

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	1,824,440
Deferred inflows related to pension - SRP	37,237
Total deferred inflows of resources	<u>1,861,677</u>

NET POSITION

Net investment in capital assets	1,245,565
Restricted	64,400
Unrestricted	3,330,510
Total net position	<u>\$ 4,640,475</u>

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

JEFFERSON-COMO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Public safety	\$ 1,737,820	\$ 156,270	\$ 12,301	\$ (1,569,249)
Interest	13,512	-	-	(13,512)
	<u>\$ 1,751,332</u>	<u>\$ 156,270</u>	<u>\$ 12,301</u>	<u>(1,582,761)</u>
General revenues:				
Taxes:				
Property taxes				1,714,946
Specific ownership taxes				153,750
Net investment earnings				116,346
Miscellaneous income/donations				4,212
Total general revenues				<u>1,989,254</u>
Change in net position				406,493
Net position - Beginning of year				4,233,982
Net position - End of year				<u>\$ 4,640,475</u>

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

JEFFERSON-COMO FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2025

	General Fund
ASSETS	
Cash and investments	\$ 2,545,532
Due from other government	11,961
Accounts receivable	93,736
Property taxes receivable	1,824,440
Prepaid insurance	23,944
TOTAL ASSETS	<u>\$ 4,499,613</u>
LIABILITIES	
Accounts payable	\$ 43,795
Wages and payroll taxes payable	49,843
TOTAL LIABILITIES	<u>93,638</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	1,824,440
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,824,440</u>
FUND BALANCE	
Fund balances:	
Nonspendable:	
Prepaid expenditures	23,944
Spendable:	
Restricted for emergencies	64,400
Assigned to subsequent year's expenditures	1,295,310
Unassigned	1,197,881
Total fund balance	<u>2,581,535</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,499,613</u>
Total fund balance above	\$ 2,581,535
Adjustments to reconcile the governmental fund balance sheet to the statement of net position are as follows:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet:	
Capital assets, net	1,462,518
Some liabilities, including leases payable and other accrued payables are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.	
Accrued paid time off	(73,279)
Lease payable	(216,953)
Accrued interest on lease	(4,791)
Certain amounts related to the District's pension plans reported on the statement of net position are not reported in the fund balance sheet:	
Deferred outflows of resources - SRP	263,700
Deferred inflows of resources - SRP	(37,237)
Net pension asset - VFPP	620,645
Deferred outflows of resources - VFPP	44,337
Net position of governmental activities	<u>\$ 4,640,475</u>

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

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

	General Fund
REVENUES	
Property taxes	\$ 1,714,946
Specific ownership taxes	153,750
Mitigation impact fees	7,083
Burn permit fees	4,932
Air burner fees	1,400
Wildland fire income	130,367
Grants	12,488
Net investment earnings	116,346
Capital project contributions	12,301
Miscellaneous income/donations	4,212
Total general revenues	<u>2,157,825</u>
EXPENDITURES	
Administration	1,264,709
Firefighting	64,773
Communications	215
Equipment	77,589
Medical services	2,710
Building	66,148
Debt Service	80,115
Capital outlay	384,757
Total expenditures	<u>1,941,016</u>
NET CHANGE IN FUND BALANCE	216,809
FUND BALANCE - BEGINNING OF YEAR	<u>2,364,726</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,581,535</u></u>

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

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

A reconciliation reflecting the differences between the general fund net change in fund balance and changes in net position reported for governmental activities in the statement of activities is as follows:

Net change in fund balance - General Fund	<u>\$ 216,809</u>
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	384,757
Depreciation	<u>(152,870)</u>
	<u>231,887</u>
The repayment of the principal of leases debt consumes current financial resources of governmental funds. However, it has no effect on net position	
Lease principal payments	<u>65,164</u>
Some expenditures reported in the governmental fund statements were made subsequent to the measurement date for the net pension asset calculation and will therefore be reported as expenses in the subsequent fiscal year.	
District contributions subsequent to the measurement date - SRP	<u>68,210</u>
	<u>68,210</u>
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.	
Change in accrued paid time off	2,928
Change in accrued interest payable on lease	1,439
Net pension income/(expense) - SRP	(95,180)
Net pension income/(expense) - VFPP	<u>(84,764)</u>
	<u>(175,577)</u>
Change in net position	<u><u>\$ 406,493</u></u>

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

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

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 1,719,719	\$ 1,714,946	\$ (4,773)
Specific ownership taxes	119,920	153,750	33,830
Payment in lieu of taxes	1,000	-	(1,000)
Mitigation impact fees	12,000	7,083	(4,917)
Burn permit fees	5,000	4,932	(68)
Air burner fees	-	1,400	1,400
Wildland fire income	5,000	130,367	125,367
Grants	10,000	12,488	2,488
Net investment earnings	80,000	116,346	36,346
Capital project contributions	-	12,301	12,301
Miscellaneous income/donations	6,000	4,212	(1,788)
Total revenues	<u>1,958,639</u>	<u>2,157,825</u>	<u>199,186</u>
EXPENDITURES			
Administration	1,246,031	1,264,709	(18,678)
Firefighting	205,000	64,773	140,227
Communications	25,000	215	24,785
Equipment	100,000	77,589	22,411
Medical services	15,000	2,710	12,290
Building	95,000	66,148	28,852
Debt Service	-	80,115	(80,115)
Capital outlay	1,410,000	384,757	1,025,243
Capital outlay - not capitalized	-	-	-
Contingency	-	-	-
Total expenditures	<u>3,096,031</u>	<u>1,941,016</u>	<u>1,155,015</u>
NET CHANGE IN FUND BALANCE	(1,137,392)	216,809	1,354,201
FUND BALANCE - BEGINNING OF YEAR	<u>1,635,454</u>	<u>2,364,726</u>	<u>729,272</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 498,062</u></u>	<u><u>\$ 2,581,535</u></u>	<u><u>\$ 2,083,473</u></u>

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

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Jefferson-Como Fire Protection District (District), a quasi-municipal corporation, was organized June 6, 1960 and is governed pursuant to the provisions of the Colorado Special District Act. The District was established to provide fire protection services to its citizens located in Jefferson and Como, Colorado and several surrounding subdivisions. The District operates under the control of an elected five-member Board of Directors.

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 Jefferson-Como Fire Department (Department) is reported as a blended component unit in the District's financial statements. More specifically, the Department is included as a blended component unit of the District because it is fiscally dependent on the District and the nature and significance of their relationship are such that the exclusion would cause the financial statements to be incomplete. The purpose of the Department is to preserve life, protect property and the environment through firefighting and rescue activity, and to provide mutual aid to other agencies, as necessary. The Department is comprised of volunteer members and paid District employees. Financial statements for the Department may be obtained from the District.

The District is not a component unit of any other primary governmental entity.

As of December 31, 2025, the District did not have any authorized, but unissued debt.

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. 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 District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources 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.

JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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, grants and wildland fire deployment reimbursements. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

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.

Budget

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.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 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.

Capital Assets

Capital assets, which include land, buildings and improvements, fire trucks and accessories, equipment, and furniture and fixtures 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 and an estimated useful life in excess of 2 years. 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 and improvements; vehicles and equipment; and furniture and fixtures of the District are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	40	years
Vehicles and equipment	7-12	years
Furniture and fixtures	5	years

Paid Time Off

The District provides paid time off benefits to full-time employees which may be used for vacation, sickness, personal matters or any other reason. The employees accrue a certain number of hours per paid period which varies based on the years of employment with the District. The employees are allowed to carry over accumulated paid time off hours from year to year subject to a total accrual cap/limit which varies based on the years of employment with the District. Annually, the District calculates an accrual of the carryover paid time off as of yearend which is reported in the government-wide financials statements.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. 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 68 and GASB 71.

Fund Balances – Governmental Funds

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

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

JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

has provided otherwise in its commitment or assignment actions.

Reclassifications

For comparability, certain 2024 amounts have been reclassified where appropriate to conform with the 2025 financial statement presentation.

NOTE 3 - CASH AND INVESTMENTS

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

Cash on hand	\$ 400
Deposits with financial institutions	17,381
Investments	2,527,751
Total cash and investments	<u>\$ 2,545,532</u>

Cash Deposits

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

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

As of December 31, 2025, the District's cash deposits had a bank balance of \$20,312 and a carrying balance of \$17,381. The District also held \$400 of cash on hand.

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

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to 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.

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
COLOTRUST Prime	Weighted average under 60 days	<u>\$2,527,751</u>

COLOTRUST

As of December 31, 2025, the District has 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 AAAs/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

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

JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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.

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	\$ 32,536	\$ -	\$ -	\$ 32,536
Deposits and construction in progress	-	10,000	-	10,000
Total capital assets, not being depreciated	32,536	10,000	-	42,536
Capital assets, being depreciated:				
Buildings and improvements	914,037	233,750	-	1,147,787
Vehicles	2,104,796	-	-	2,104,796
Vehicles - leased	344,000	-	-	344,000
Equipment	319,597	141,007	(10,500)	450,104
Furniture and fixtures	5,805	-	-	5,805
Total capital assets, being depreciated	3,688,235	374,757	(10,500)	4,052,492
Less accumulated depreciation for:				
Buildings and improvements	(469,257)	(26,182)	-	(495,439)
Vehicles	(1,790,829)	(64,483)	-	(1,855,312)
Vehicles - leased	(40,611)	(28,667)	-	(69,278)
Equipment	(183,638)	(33,538)	10,500	(206,676)
Furniture and fixtures	(5,805)	-	-	(5,805)
Total accumulated depreciation	(2,490,140)	(152,870)	10,500	(2,632,510)
Total capital assets, being depreciated, net	1,198,095	221,887	-	1,419,982
Government capital assets, net	\$ 1,230,631	\$ 231,887	\$ -	\$ 1,462,518

Depreciation expense of \$152,870 was charged to the public safety function in the statement of activities.

NOTE 5 - LEASES

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

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Pumper truck	\$ 282,117	\$ -	\$ 65,164	\$ 216,953	\$ 68,617

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

On August 9, 2023, the District entered into a lease purchase agreement for the purchase of a 2012 Pierce pumper truck with Flagstar Public Funding Corp. The principal amount of the lease was \$344,000 and bears interest of 5.3%. The lease agreement is subject to annual appropriation by the District. Annual principal and interest payments are due on August 9, commencing on August 9, 2024. The District may prepay the lease at the prepayment amounts noted below.

Annual requirements to amortize the long-term lease and related interest is as follows:

Year Ending December 31,	Principal	Interest	Total	Prepayment Price
2026	\$ 68,617	\$ 11,498	\$ 80,115	\$ 152,787
2027	72,253	7,861	80,115	\$ 78,365
2028	76,083	4,032	80,115	\$ -
	<u>\$ 216,953</u>	<u>\$ 23,391</u>	<u>\$ 240,345</u>	

The District leases land for three fire stations and two water storage units. The five leases have annual terms with renewal options between 30 and 99 successive one-year terms from inception. The annual rental payments are for nominal amounts. The District is responsible for utilities and normal maintenance for these leased facilities. The District also leases a wildland truck from the US Forest Service on a year-to-year basis for a nominal amount.

NOTE 6 – 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

JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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.

JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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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.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

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

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

Total contributions to the SRP from the District were \$61,402 for the year ended December 31, 2024.

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, 2024, the District's proportion was 0.0542373%, which was an increase of 0.0053377% from its proportion as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense of \$95,180. 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	\$ 130,331	\$ (4,077)
Changes of assumptions	46,644	-
Net difference between projected and actual earnings on pension plan investments	18,515	-
Change in proportion and differences between contributions and proportionate share of contributions	-	(33,160)
Contributions subsequent to the measurement date	68,210	-
Total	<u>\$ 263,700</u>	<u>\$ (37,237)</u>

JEFFERSON-COMO FIRE PROTECTION DISTRICT
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The \$68,210 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:

<u>Year Ending December 31</u>	
2026	\$ 46,409
2027	71,786
2028	(1,120)
2029	2,093
2030	13,181
Thereafter	25,904
	<u>\$ 158,253</u>

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

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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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	33.0%	7.0%
Equity Long/Short	6.0%	6.2%
Private Markets	34.0%	8.8%
Fixed Income - Rates	7.0%	5.0%
Fixed Income - Credit	7.0%	6.5%
Absolute Return	9.0%	5.7%
Cash	4.0%	4.2%
Total	100.0%	

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).

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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	<u>\$ 264,673</u>	<u>\$ -</u>	<u>\$ -</u>

The net pension liability of \$0 reflects a reserve for cost-of-living adjustments and to manage adverse experience of \$77,970 at a 7.00 percent discount rate and \$361,711 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 7 – 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 3.8% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.8% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is making the full 3.8% 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 \$18,284 equal to the required contributions for the year.

NOTE 8 – 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

JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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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 \$5,200 pretax contributions and \$10,400 post tax contributions to the Deferred Compensation Plan for the year ending 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 9 – VOLUNTEER FIREFIGHTERS' PENSION PLAN

Volunteer Firefighters' Pension Plan

General Information about the Pension Plan

Plan description. The District, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighters' Pension Plan (VFPP), a defined benefit pension plan which is affiliated with the FPPA. The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the VFPP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Volunteer Firefighters' Pension Plan Board of Trustees is comprised of the five Directors of the District and two District volunteer firefighters. The Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under Colorado Revised Statutes. As of December 31, 2025, the plan provides for a monthly pension benefit as follows:

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Normal Retirement Benefit (Monthly)	
Regular	\$ 1,200
Vested Retirement Benefit (Monthly)	
With 10 to 20 years of service, amount per year of service per minimum vesting years (10 minimum)	\$ 60
Disability Retirement Benefit (Monthly)	
Short term disability for line of duty injury, amount payable for not more than 1 year	\$ 150
Long term disability for line of duty injury, lifetime benefit	\$ 150
Survivor Benefits (Monthly)	
Following death before retirement eligible; due to death in the line of duty as a volunteer firefighter	\$ 600
Following death after normal retirement	\$ 600
Following death after vested retirement with 10 to 20 years of service, amount per year of service per minimum vesting years (10 minimum)	\$ 30
Following death after disability retirement	\$ 75
Funeral benefit (Required Benefit)	
Funeral benefit lump sum, one time only	\$ 1,200

As of December 31, 2025, there are 9 retired volunteers and 2 beneficiaries receiving benefits and 2 active volunteers, of which 2 are vested in the plan.

Contributions. The District makes contributions based upon District established benefits and funding requirements based upon an actuarial study. Plan members do not make contributions. The State of Colorado also contributes to the plan in an amount set by statute. The District did not make any contributions to the plan for the year ended December 31, 2025, equal to the actuarial calculated contribution.

Net Pension Liability/(Asset)

Actuarial assumptions. As of December 31, 2025, the District reported net pension asset of \$620,645. The District's net pension asset was based on an actuarial valuation performed as of January 1, 2025, and a measurement date of December 31, 2024. The total pension liability/(asset) as of December 31, 2025, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open *
Remaining amortization period	20 years *
Asset valuation method	5 - year smoothed fair value
Investment rate of return	7.0%
Projected salary increases	N/A
Inflation	2.5%
Retirement age	50% per year of eligibility until 100% at age 65

JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Mortality

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Liquidity	4.0%	4.2%
Fixed Income - Rates	7.0%	5.0%
Fixed Income - Credit	7.0%	6.5%
Diversifiers	9.0%	5.7%
Long Short	6.0%	6.2%
Global Public Equity	33.0%	7.0%
Private Markets	34.0%	8.8%
Total	100.0%	

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

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

JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Changes in the Net Pension Liability/(Asset)

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

	Total Pension Liability(Asset)	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a) - (b)
Balances at 12/31/2024	\$ 806,062	\$ 1,501,130	\$ (695,068)
Changes for the year:			
Service cost	11,000	-	11,000
Interest on the total pension liability	54,425	-	54,425
Difference between expected and actual experience	69,000	-	69,000
Changes in assumptions or other inputs	78,941	-	78,941
Benefit payments	(69,120)	(69,120)	-
Pension plan net investment income	-	143,519	(143,519)
Administrative expense	-	(4,576)	4,576
Net Changes	<u>144,246</u>	<u>69,823</u>	<u>74,423</u>
Balances at 12/31/2025	<u>\$ 950,308</u>	<u>\$ 1,570,953</u>	<u>\$ (620,645)</u>

Sensitivity of the District's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 5.00%	Single Discount Rate Assumption 6.00%	1% Increase 7.00%
Proportionate share of the net pension (asset)/liability	<u>\$ (528,208)</u>	<u>\$ (620,645)</u>	<u>\$ (699,586)</u>

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

For the year ended December 31, 2025, the District recognized pension expense of \$84,764.

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

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 11,500
Changes of assumptions	13,157
Net difference between projected and actual earnings on pension plan investments	<u>19,680</u>
Total	<u><u>\$ 44,337</u></u>

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

<u>Year Ending December 31</u>	
2026	\$ 34,906
2027	33,265
2028	(15,638)
2029	<u>(8,196)</u>
	<u><u>\$ 44,337</u></u>

NOTE 10 - FUND EQUITY

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

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$23,944 is comprised of prepaid expenditures which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$64,400 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 13).

Assigned Fund Balance

The assigned fund balance in the General Fund in the amount of \$1,295,310 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

NOTE 11 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted, and unrestricted.

The net investment in capital assets, net of accumulated depreciation is reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

the acquisition, construction, or improvement of those assets. As of December 31, 2025, net investment in capital assets was \$1,245,565.

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's restricted net position of \$64,400 as of December 31, 2025, as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 13).

NOTE 12 - 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 13 - 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 approved the following TABOR ballot question:

Without imposing any new taxes or increases in tax rates, shall the Jefferson-Como Fire Protection District be authorized to retain all revenues from all sources, including grants, in 1996 and subsequent years, and spend the same as a voter-approved revenue change and an exception to limits which would otherwise apply for each of said years?

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

On May 8, 2018, a majority of the District's electors approved the following TABOR ballot question:

Shall the Jefferson-Como Fire Protection District's taxes be increased by \$181,734 in fiscal year 2019 and annually by whatever tax revenues are generated by an ad valorem property tax mill levy rate in each fiscal year thereafter by 2.963 mills, resulting in a total District property tax rate, exclusive of refunds, abatements, or debt service, not to exceed 13.0 mills, to be used to offset the revenue losses caused by the decreases in statewide residential assessment ratio (commonly known as the "Gallagher Amendment") and for the ongoing operation and maintenance of fire protection services; and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2019 and in each fiscal year thereafter, such authorization to constitute a voter-approved revenue change which may be collected, retained and spent by the District with exception to any spending, revenue raising, or other limitation contained in Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

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

Shall Jefferson-Como Fire Protection District's taxes be increased by \$0 in fiscal year 2019 and by whatever revenues are generated by a total District property tax rate of 13.000 mills, exclusive of refunds, abatements, or debt service, and such additional mill levy rate as is necessary to offset decreases in the Gallagher Amendment state-wide residential assessment rate and no greater, in each fiscal year thereafter and allowing the increased revenue collected to be retained and spent as voter-approved revenue and spending changes in each year, without regard to any constitutional or statutory spending or revenue limitations including those contained in Article X, Sections 3, 15, and 20 of the Colorado Constitution?

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

REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE RETIREMENT PLAN

Measurement period ending December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability/(Asset)	0.0542373%	0.0488996%	0.0527326%	0.0591519%	0.0362692%	0.0318860%	0.0308484%	0.0264762%	0.0285693%	0.0502725%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ -	\$ -	\$ 46,806	\$ (320,564)	\$ (78,741)	\$ (18,023)	\$ 39,001	\$ (38,090)	\$ 10,323	\$ (886)
District's Covered Payroll	\$ 615,094	\$ 480,409	\$ 459,243	\$ 477,463	\$ 291,319	\$ 234,880	\$ 206,638	\$ 154,867	\$ 146,212	\$ 243,707
Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	0.0%	0.0%	-10.2%	67.1%	27.0%	7.7%	-18.9%	24.6%	-7.1%	0.4%
Calculation of Collective 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/(Asset)	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.

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

<u>Fiscal year ending December 31.</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 68,210	\$ 61,402	\$ 45,639	\$ 41,290	\$ 40,476	\$ 23,305	\$ 18,790	\$ 16,531	\$ 12,389	\$ 11,697
Contributions in Relation to the Contractually Required Contribution	(68,210)	(61,402)	(45,639)	(41,290)	(40,476)	(23,305)	(18,790)	(16,531)	(12,389)	(11,697)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 655,337	\$ 615,094	\$ 480,409	\$ 459,243	\$ 477,463	\$ 291,319	\$ 234,880	\$ 206,638	\$ 154,867	\$ 146,212
Contributions as a Percentage of Covered Payroll	10.4%	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
VOLUNTEER FIREFIGHTERS' 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	\$ 11,000	\$ 11,000	\$ 13,672	\$ 13,672	\$ 18,341	\$ 18,341	\$ 28,901	\$ 28,901	\$ 22,602	\$ 22,602
Interest on the total pension liability	54,425	54,666	43,704	43,633	40,851	39,770	44,336	41,856	37,861	36,482
Changes in benefit terms	-	-	131,043	-	-	-	-	-	-	-
Difference between expected and actual experience	69,000	-	34,018	-	26,520	-	(74,542)	-	10,233	-
Changes in assumptions or other inputs	78,941	-	4,714	-	-	-	23,135	-	17,209	-
Benefit payments	(69,120)	(69,120)	(69,335)	(43,680)	(43,680)	(41,680)	(37,680)	(37,680)	(37,780)	(43,530)
Net Change in Total Pension Liability	144,246	(3,454)	157,816	13,625	42,032	16,431	(15,850)	33,077	50,125	15,554
Total Pension Liability - Beginning	806,062	809,516	651,700	638,075	596,043	579,612	595,462	562,385	512,260	496,706
Total Pension Liability - Ending (a)	\$ 950,308	\$ 806,062	\$ 809,516	\$ 651,700	\$ 638,075	\$ 596,043	\$ 579,612	\$ 595,462	\$ 562,385	\$ 512,260
Plan Fiduciary Net Position										
District contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,744	\$ -
State of Colorado contributions	-	-	-	-	-	-	-	-	8,550	8,550
Pension plan net investment income	143,519	135,490	(131,663)	217,358	174,714	174,502	505	167,049	58,673	19,575
Benefit payments	(69,120)	(69,120)	(69,335)	(43,680)	(43,680)	(41,680)	(37,680)	(37,680)	(37,780)	(43,530)
Administrative expense	(4,576)	(5,958)	(9,190)	(10,415)	(3,370)	(5,447)	(6,057)	(10,627)	(2,473)	(4,026)
Net Change in Plan Fiduciary Net Position	69,823	60,412	(210,188)	163,263	127,664	127,375	(43,232)	118,742	88,714	(19,431)
Plan Fiduciary Net Position - Beginning	1,501,130	1,440,718	1,650,906	1,487,643	1,359,979	1,232,604	1,275,836	1,157,094	1,068,380	1,087,811
Plan Fiduciary Net Position - Ending (b)	\$ 1,570,953	\$ 1,501,130	\$ 1,440,718	\$ 1,650,906	\$ 1,487,643	\$ 1,359,979	\$ 1,232,604	\$ 1,275,836	\$ 1,157,094	\$ 1,068,380
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ (620,645)	\$ (695,068)	\$ (631,202)	\$ (999,206)	\$ (849,568)	\$ (763,936)	\$ (652,992)	\$ (680,374)	\$ (594,709)	\$ (556,120)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)	165.31%	186.23%	177.97%	253.32%	233.15%	228.17%	212.66%	214.26%	205.75%	208.56%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* - The District's contribution for the fiscal year ended December 31, 2015 of \$30,695 was submitted in FPPA's system on December 15, 2015 by the District. FPPA did not process the ACH contribution until January 2016. The District accrued the contribution for financial statement reporting purposes as of December 31, 2015. Due to the delay by FPPA, the contribution was not included in the measurement period ended December 31, 2015.

JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST TEN YEARS

<u>Fiscal year ending December 31,</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially required contribution:										
District contribution	-	-	-	-	-	-	-	-	-	(31,049)
State of Colorado contribution	-	-	-	-	-	-	-	-	-	(8,550)
Tota contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,599)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,599)</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
Amortization method Level Dollar, Open *
Remaining amortization period 20 years *
Asset valuation method 5 - year smoothed fair value
Investment rate of return 7.0%
Projected salary increases N/A
Inflation 2.5%
Retirement age 50% per year of eligibility until 100% at age 65
Mortality

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

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

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

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

JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF THE NET PENSION LIABILITY/(ASSET)
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal year ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability	\$ 950,308	\$ 806,062	\$ 809,516	\$ 651,700	\$ 638,075	\$ 596,043	\$ 579,612	\$ 595,462	\$ 562,385	\$ 512,260
Plan Fiduciary Net Position	(1,570,953)	(1,501,130)	(1,440,718)	(1,650,906)	(1,487,643)	(1,359,979)	(1,232,604)	(1,275,836)	(1,157,094)	(1,068,380)
Net Pension Liability/(Asset)	\$ (620,645)	\$ (695,068)	\$ (631,202)	\$ (999,206)	\$ (849,568)	\$ (763,936)	\$ (652,992)	\$ (680,374)	\$ (594,709)	\$ (556,120)
Plan Fiduciary Net Position as a % of Total Pension Liability/(Asset)	165.31%	186.23%	177.97%	253.32%	233.15%	228.17%	212.66%	214.26%	205.75%	208.56%
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

SUPPLEMENTAL INFORMATION

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

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
EXPENDITURES			
Administration:			
Salaries	\$ 675,000	\$ 759,936	\$ (84,936)
Taxes and benefits	280,000	251,437	28,563
Auditing	7,600	8,000	(400)
Legal	65,000	22,281	42,719
Insurance	60,000	62,043	(2,043)
Office expenses	35,000	17,378	17,622
Telephones	3,500	2,021	1,479
County Treasurer's fees	49,681	51,326	(1,645)
District management and accounting	40,000	51,059	(11,059)
Election	20,000	38,875	(18,875)
Lease fees	250	353	(103)
Miscellaneous	10,000	-	10,000
Total administration	<u>1,246,031</u>	<u>1,264,709</u>	<u>(18,678)</u>
Firefighting:			
Supplies	150,000	35,633	114,367
Support	20,000	2,633	17,367
Training	35,000	8,658	26,342
Wildfire deployment expenses	-	16,763	(16,763)
Other	-	1,086	(1,086)
Total firefighting	<u>205,000</u>	<u>64,773</u>	<u>140,227</u>
Communications - Radios	<u>25,000</u>	<u>215</u>	<u>24,785</u>
Equipment:			
Fuel	50,000	20,463	29,537
Truck supplies/repair and maintenance	50,000	57,126	(7,126)
Total equipment	<u>100,000</u>	<u>77,589</u>	<u>22,411</u>
Medical services - EMS supplies	<u>15,000</u>	<u>2,710</u>	<u>12,290</u>
Building:			
Propane	50,000	11,552	38,448
Utilities - Electrical	20,000	8,520	11,480
Stations and shop	25,000	46,076	(21,076)
Total building	<u>95,000</u>	<u>66,148</u>	<u>28,852</u>
Debt Service:			
Lease principal	-	65,164	(65,164)
Lease interest	-	14,951	(14,951)
Total debt service	<u>-</u>	<u>80,115</u>	<u>(80,115)</u>
Capital outlay:			
Truck purchases	160,000	10,000	150,000
Firefighting equipment	100,000	129,776	(29,776)
Building and improvements	1,000,000	188,282	811,718
Communications	70,000	11,231	58,769
Capital improvements and contingencies	80,000	45,468	34,532
Total capital outlay	<u>1,410,000</u>	<u>384,757</u>	<u>1,025,243</u>
TOTAL EXPENDITURES	<u><u>\$ 3,096,031</u></u>	<u><u>\$ 1,941,016</u></u>	<u><u>\$ 1,155,015</u></u>