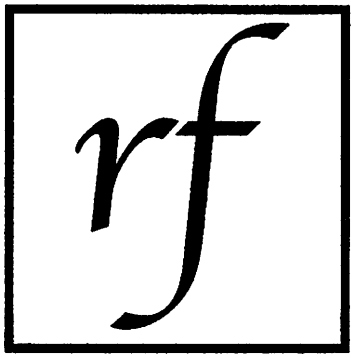


Stonewall Fire Protection District

Las Animas County, Colorado

Financial Statements

December 31, 2025

Stonewall Fire Protection District
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December 31, 2025

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Independent Auditor's Report

Board of Directors
Stonewall Fire Protection District

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Stonewall Fire Protection District, as of December 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional 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 Stonewall Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stonewall Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension disclosures on pages 20-23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has elected to omit the management's discussion and analysis. Such information if the responsibility of management, and although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting process for placing the basic financial statements in a appropriate operational, economic, or historical context. The omission of this information does not affect our opinions on the basic financial statements.

rfarmer, llc

August 3, 2025

Basic Financial Statements

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

	Governmental Activities
ASSETS	
Cash and Equivalents	$ 2,177,007
Receivables	362,319
Net Pension Asset	681,014
Capital Assets:	
Buildings and Improvements	5,661,647
Less: Accumulated Depreciation	(3,700,937)
Total Capital Assets	1,960,710
Total Assets	5,181,050
DEFERRRED OUTFLOW OF RESOURCES	
Pensions	123,712
LIABILITIES	
Accounts payable and accrued expenses	24,827
Total liabilities	24,827
Deferred Inflows of Resources	
Deferred Property Taxes	252,062
Pensions	157,824
	409,886
NET POSITION	
Net investment in capital assets	1,960,710
Restricted for:	
Net Pension Asset	681,014
TABOR	20,300
Unrestricted	2,208,025
Total net position	$ 4,870,049

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

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

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government					
Governmental Activities					
Public Safety	$ 685,226	$ 277,280	$ 3,495	$ (404,451)	$ (404,451)
Total governmental activities	685,226	277,280	3,495	(404,451)	(404,451)
Total primary government	$ 685,226	$ 277,280	$ 3,495	(404,451)	(404,451)
General revenues:					
Taxes:					
Property taxes, levied for general purposes				243,146	243,146
Unrestricted investment earnings				83,972	83,972
Miscellaneous				29,381	29,381
Special item - (loss) on disposition of fixed assets				(10,792)	(10,792)
Total general revenues				345,707	345,707
Change in net position				(58,744)	(58,744)
Net position - beginning				4,928,793	4,928,793
Net position - ending				$ 4,870,049	$ 4,870,049

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

Stonewall Fire Protection District
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund
ASSETS	
Cash and cash equivalents	$ 2,177,007
Taxes receivable, net	252,062
Other receivables--grants	110,257
Total assets	2,539,326
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	24,827
Total liabilities	24,827
Deferred Cash Inflows	
Deferred property taxes	252,062
Fund balances:	
Restricted--TABOR	20,300
Unassigned	2,242,137
Total fund balances	2,262,437
Total liabilities and fund balances	$ 2,539,326

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

Stonewall Fire Protection District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2025

Total fund balance, governmental funds	$	2,262,437
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		1,960,710
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets:		
Net Pension Asset		681,014
Deferred Outflow		123,712
Some liabilities, (such as Notes Payable, Deferred Inflows, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:		
Deferred Inflow		(157,824)
Net Position of Governmental Activities in the Statement of Net Position	$	4,870,049

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

Stonewall Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Total Governmental Funds
REVENUES		
Property Taxes	$ 243,146	$ 243,146
Charges for services	230,701	230,701
Investment earnings	83,972	83,972
Miscellaneous	85,605	85,605
Grant revenues	3,495	3,495
Total revenues	646,919	646,919
EXPENDITURES		
Current:		
Public safety	623,230	623,230
Total Expenditures	623,230	623,230
Excess (deficiency) of revenues over expenditures	23,689	23,689
Net change in fund balances	23,689	23,689
Fund balances - beginning	2,238,748	2,238,748
Fund balances - ending	$ 2,262,437	$ 2,262,437

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

Stonewall Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds:	$	23,689
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
This is the amount by which capital outlay of $0 was less than depreciation of $109,855 in the current period.		(109,855)
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.		(10,792)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Net income (loss) from changes in pension accounts		38,214
Change in net position of governmental activities	$	(58,744)

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

Note 1 Summary of Significant Accounting Policies

Reporting Entity

The reporting entity, for financial purposes, is defined as the primary government (the Stonewall Fire Protection District) and its component units. The District has no component units; the financial statements are comprised of the funds and account groups more fully described in subsequent information contained in the footnotes.

The accounting policies of the Stonewall Fire Protection District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which non11ally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the District's legally separate component units for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. 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 the governmental fund. 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 arc reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses arc recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items arc recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when

they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 general government, except those required to be accounted for in another fund.

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

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of two 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Equipment	5
Buildings	20-39
Vehicles	5-7

Budgets and Budgetary Accounting

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the General Fund. All encumbrances lapse at the end of the year.

Property Taxes

Property truces represent ad valorem taxes levied by the District, which are payable to the County Treasurer, and are recognized as revenue by the District in the year for which they are levied. Property truces are levied in December for collection in the subsequent year.
Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

Use of Estimates

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

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement

defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the Board, either because of a Board Policy in the Board Policy Manual, or because of motions that passed at Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by Board authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy:

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Note 2 Capital Assets

Capital assets activity for the year ended December 31, 2025 was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 55,000	$ -	$ -	$ 55,000
Total	55,000	-	-	55,000
Capital Assets Being Depreciated:				
Buildings	2,592,833	-	-	2,592,833
Equipment	969,487	-	-	969,487
Vehicles	2,051,118	-	(6,791)	2,044,327
Total	5,613,438	-	(6,791)	5,606,647
Less: Accumulated Depreciation	(3,587,081)	(105,855)	(4,001)	(3,696,937)
Total Capital Assets Being Depreciated, Net	2,026,357	(105,855)	(10,792)	1,909,710
Total Capital Assets	$ 2,081,357	$ (105,855)	$ (10,792)	$ 1,964,710

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Public Safety – Firefighting	$ 105,855

Note 3 Cash

	Bank Balance	Carrying Amount
Insured	$ 500,000	$ 500,000
Uninsured, collateralized under the Public Deposit Protection Act (PDPA) of the State of Colorado	1,673,341	1,673,341
Subtotal	2,173,341	2,173,341
Cash with County Treasurer	-	-
Total Cash and Deposits	$ 2,173,341	$ 2,173,341

Note 4 Compensated Absences

There is no liability for compensated absences at December 31, 2025.

Note 5 Contingencies – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future 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 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic contributions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocable pledging present cash reserves for all future payments.

On November 6, 2001, the voters of the District approved Ballot Issue 5B allowing the District to levy 2.459 mills for 2002 and all subsequent years thereafter.

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

Note 6 Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 7 **Retirement Plan, Volunteer Firemen**

Volunteer Firefighters:

The FPPA administers an agent multiple-employer PERS. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at: FPPAco.org Once in the site, locate the site map at the bottom of the web page and you will find the "Annual Report" link.

Actuarial Valuation Date	January 1, 2025
Measurement Date of the Net Pension Liability/(Asset)	December 31, 2024
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2025

Memberships as of January 1, 2023	
Number of:	
Retirees and Beneficiaries	17
Inactive, Nonretired Members	-
Active Members	43
Total	60
Covered Payroll	N/A

Net Pension Liability/(Asset)	
Total Pension Liability	$ 1,043,986
Plan Fiduciary Net Position	1,725,000
Net Pension Liability/(Asset)	$ (681,014)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	165.23%
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A

Development of the Single Discount Rate	
Single Discount Rate	7.00%
Long-Term Expected Rate of Investment Return	7.00%
Long-Term Municipal Bond Rate*	4.08%
Last year ending December 31 in the 2024 to 2123 projection period for which projected benefit payments are fully funded	2124

Total Pension Expense/(Income)	$ (25,714)

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the Volunteer pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 77,204
Changes in assumptions	568	-
Net difference between expected and actual earnings on pension plan investments	98,144	80,620
The employer's contributions to the plan subsequent to the measurement date of the collective net pension liability	25,000	N/A
Total	$ 123,712	$ 157,824

The deferred outflows and deferred inflows related to pensions are included with total deferred outflows and total deferred inflows on the statement of net position. Deferred outflows of resources of $25,000 related to the Volunteer pension, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability or increase in the net pension asset in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the years ending December 31:	
2026	$ (44,051)
2027	22,995
2028	(26,078)
2029	(11,978)
2030	-
Thereafter	-

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were $25,000 for the year ended December 31, 2025.

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contributions rates have a one-year lag, so the actuarial valuation as of January 1, 2023, determines the contribution amounts for 2024 and 2025.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	**Pre-retirement:** Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. **Post-retirement:** Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. **Disabled:** Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

Long-Term Expected Return on Plan Assets

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

Assets Class	Target Allocation	Long-Term Expected Nominal 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%	

The figures in the above table were supplied by Fire and Police Pension Association Staff. Gabriel, Roeder, Smith & Company does not provide investment advice.

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%, 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:

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7 .00 percent, as well as what the proportionate share of 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 (6.00%)	Current Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
$ (560,682)	$ (681,014)	$ (781,209)

Note 8 **Pension Plan – Defined Contribution**

The District maintains a SIMPLE savings match plan for all paid employees. All employees aged 21 years who have completed two calendar years of employment and/or earned $5,000 or more in any two calendar years and expect to earn more than $5,000 in the current period are eligible.

Employees may make voluntary contributions of a percentage of their pay up to the maximum identified by law. The District will make a 3% employer match. For the year ended December 31, 2025, District contributions to the plan were $3,571.

The Board of Directors approves the terms of the plan and has the authority to amend the terms.

Required Supplementary Information

Stonewall Fire Protection District
Budget and Actual
General Fund
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	$ 225,843	$ 225,843	$ 243,146
Charges for services	-	-	230,701
Grants	-	-	3,495
Investment earnings	-	-	83,972
Miscellaneous	-	-	85,605
Total revenues	225,843	225,843	646,919
EXPENDITURES			
Public Safety	544,101	544,101	623,230
Contingency	329,751	329,751	-
Capital Outlay	15,000	15,000	-
Total Expenditures	888,852	888,852	623,230
Excess (deficiency) of revenues over expenditures	(663,009)	(663,009)	23,689
Net change in fund balances	(663,009)	(663,009)	23,689
Fund balance - beginning	2,432,556	2,432,556	2,238,748
Fund balance - ending	$ 1,769,547	$ 1,769,547	$ 2,262,437

Stonewall Fire Protection District
Schedule of Contributions Multi-Year
Last 10 Fiscal Years

FYE December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2024	$ 23,288	$ 34,450	$ (11,162)	N/A	N/A
2023	28,944	46,950	(18,006)	N/A	N/A
2022	28,944	59,450	(30,506)	N/A	N/A
2021	37,595	59,450	(21,855)	N/A	N/A
2020	37,595	59,450	(21,855)	N/A	N/A
2019	13,916	59,450	(45,534)	N/A	N/A
2018	13,916	59,450	(45,534)	N/A	N/A
2017	35,445	59,450	(24,005)	N/A	N/A
2016	35,445	59,450	(24,005)	N/A	N/A
2015	47,866	59,450	(11,584)	N/A	N/A

** *Includes both employer and State of Colorado Supplemental Discretionary Payment.*

Stonewall Fire Protection District
Pension Expense/(Income) Under GASB Statement No. 68
Measurement Period Ending December 31, 2024
for the Employer Fiscal Year Ending December 31, 2025

Pension Expense/(Income)		
Service Cost	$	74,803
Interest on the Total Pension Liability		70,522
Current-Period Benefit Changes		-
Projected Earning on Plan Investments (made negative here to offset expense)		(111,296)
Pension Plan Administrative Expense		12,394
State of Colorado Supplemental Discretionary Payment		(9,450)
Recognition of Outflow (Inflow) of Resources due to Liabilities		(57,341)
Recognition of Outflow (Inflow) of Resources due to Assets		(5,346)
Total Pension Expense/(Income)	$	(25,714)

Stonewall Fire Protection District

Schedule of Changes in Net Position Liability / (Asset) and Related Ratios Multi-Year

Last 10 Fiscal Years

Measurement Period Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 74,803	$ 74,803	$ 56,732	$ 55,177	$ 55,177	$ 55,177	$ 36,097	$ 36,097	$ 44,154	$ 44,154
Interest on the Total Pension Liability	70,522	64,933	72,168	66,654	66,654	61,765	60,625	57,012	61,175	56,269
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	(41,175)	-	(184,617)	(61,469)	(61,469)	-	(27,231)	-	(145,038)	-
Assumptions Changes	-	-	2,302	-	-	-	40,094	-	28,041	-
Benefit Payments	(60,665)	(59,153)	(58,512)	(49,907)	(49,907)	(44,385)	(45,485)	(44,385)	(35,540)	(34,513)
Net change in Total Pension Liability	43,485	80,583	(111,927)	10,455	10,455	72,557	64,100	48,724	(47,208)	65,910
Total Pension Liability - Beginning	1,000,501	919,918	1,031,845	949,606	949,606	877,049	812,949	764,225	811,433	745,523
Total Pension Liability - Ending	1,043,986	1,000,501	919,918	960,061	960,061	949,606	877,049	812,949	764,225	811,433
Plan Fiduciary Net Position										
Employer Contributions	25,000	37,500	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Pension Plan Net Investment Income	154,683	143,217	(131,345)	166,505	166,505	157,666	(587)	139,223	48,334	14,146
Benefit Payments	(60,665)	(59,153)	(58,512)	(49,907)	(49,907)	(44,385)	(45,485)	(44,385)	(35,540)	(34,513)
Pension Plan Administrative Expense	(12,394)	(14,697)	(10,354)	(7,463)	(7,463)	(11,703)	(8,389)	(8,054)	(1,701)	(2,455)
State of Colorado Supplemental Discretionary Payment	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450
Net Change in Plan Fiduciary Net Position	116,074	116,317	(140,761)	168,585	168,585	161,028	4,989	146,234	70,543	36,628
Plan Fiduciary Net Position - Beginning	1,608,926	1,492,609	1,633,370	1,256,506	1,256,506	1,095,478	1,090,489	944,255	873,712	837,084
Plan Fiduciary Net Position - Ending	1,725,000	1,608,926	1,492,609	1,425,091	1,425,091	1,256,506	1,095,478	1,090,489	944,255	873,712
Net Pension Liability / (Asset)	$ (681,014)	$(608,425)	$(572,691)	$(465,030)	$(465,030)	$(306,900)	$(218,429)	$(277,540)	$(180,030)	$(62,279)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	165.23%	160.81%	162.25%	148.44%	148.44%	132.32%	124.90%	134.14%	123.56%	107.68%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a percentage of the Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A