TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended December 31, 2025

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
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DECEMBER 31, 2025

Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tri-Lakes Monument Fire Protection District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tri-Lakes Monument Fire Protection District, as of December 31, 2025 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tri-Lakes Monument 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 the Tri-Lakes Monument Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee

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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 Tri-Lakes Monument 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 the Tri-Lakes Monument Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Hoelting & Company, Inc.

Colorado Springs, Colorado
June 11, 2026

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2025

ABOUT OUR DISTRICT

The Tri-Lakes Monument Fire Protection District (District) is a career fire department, serving approximately 43,000 residents across 62 square miles in northern El Paso County. An elected, seven-member board of directors is responsible for governing the District and providing strategic guidance and fiscal oversight of the District. There are five fire stations manned 24/7 services, 365 days per year, along with the necessary fire apparatus to support the emergency services in the community. The District is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ending December 31, 2025. The District discusses the financial performance within the context of the accompanying financial statements and disclosures following this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District's basic financial statements which include: 1) Statement of Net Position; 2) Statement of Activities; 3) Balance Sheet – General Fund; 4) Reconciliation of the Balance Sheet – General Fund to the Statement of Net Position; 5) Statement of Revenues, Expenditures and Changes in Fund Balance; 6) Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of the Governmental Fund to the Statement of Activities; and 7) Notes to the Financial Statements.

The Required Supplementary Information, as listed in the table of contents, provide information about the District's financial position as of December 31, 2025, its results of operations, information comparing actual revenues and expenditures with budgeted revenue and expenditures for the year, and information about the District's defined benefit and volunteer pension plans.

The **Statement of Net Position** includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in assets and the obligations to the District creditors. It also provides the basis for computing the rate of return, evaluates the capital structure of the District, and assesses the liquidity and financial flexibility of the District.

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

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

The **Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund** financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. This method approximates the reporting on a cash basis and closely follows the budgetary method.

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

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

The **Budgetary Comparison Schedule** provides information comparing budgeted revenue and expenditure activities with the actual revenue and expenditure activities. When applicable, the schedule will include a comparison of the originally approved budget with the final amended budget.

FINANCIAL HIGHLIGHTS

The District receives revenue from four primary sources:

- Property taxes are collected and disbursed by the El Paso County Treasurer's Office. The levies are certified to the Assessor and the Colorado Property Tax Administrator by the Board of County Commissioners. The Board of County Commissioners authorizes the Assessor to extend the levies on property as assessed. The District is a constituted taxing authority.
- Specific ownership taxes are collected and disbursed by the El Paso County Treasurer's Office.
- Ambulance transportation services
- Wildland deployment services

Secondary sources of revenue are:

- Impact fees
- State/federal grants
- Investment income

Major disbursements are the normal operating expenses of delivering personnel services and benefits for services. These disbursements are detailed in the financial statements.

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $37,584,344 (net position) for the calendar year 2025. At the close of 2024, the assets exceeded liabilities by $34,343,473 (net position). Approximately 42% of the District's net position represent net investment in capital assets in 2025. The District uses these capital assets to provide services and generate revenues for this fund.
- Net investment in capital assets of $15,732,712, is calculated by taking property and equipment at cost, less the accumulated depreciation, less any outstanding debt used towards the purchase or construction of capital assets.
- The total net position of the District increased by $3,240,871 during 2025 and increased by $8,254,335 during 2024.
- Total net position is comprised of the following classifications:
  (1) As of December 31, 2025, the net position includes an emergency reserve of $709,000, representing approximately 3% of expenditures, and impact fees restricted for capital improvements of $630,993for a total restricted net position of $1,339,993.
  (2) (2) As of December 31, 2025, and 2024, the District has unrestricted net position of $20,511,639 and $21,352,866, respectively.

STATEMENT OF NET POSITION

The statement of net position conveys the financial health of the District and includes all assets, liabilities and deferred inflow of resources, both financial and capital. The statement of net position uses the accrual basis of accounting.

Condensed comparative statements of net position and comments relating to significant changes follow:

	2025	2024	Change
Assets			
Other Assets	$ 57,193,131	$ 37,673,785	$ 19,519,346
Net Pension Asset - Volunteer	71,918	111,229	(39,311)
Capital Assets	19,245,593	14,063,304	5,182,289
Total Assets	76,510,642	51,848,318	24,662,324
Deferred Outflows of Resources	4,004,627	4,348,653	(344,026)
Total Assets and Deferred Outflows of Resources	$ 80,515,269	$ 56,196,971	$ 24,318,298
Liabilities			
Current Liabilities	$ 2,014,916	$ 945,857	$ 1,069,059
Other Noncurrent Liabilities	20,888,258	2,158,506	18,729,752
Total Liabilities	22,903,174	3,104,363	19,798,811
Deferred Inflows of Resources	20,027,751	18,749,135	1,278,616
Net Position			
Net Investment in Capital Assets	15,732,712	12,026,369	3,706,343
Restricted	1,339,993	964,238	375,755
Unrestricted	20,511,639	21,352,866	(841,227)
Total Net Position	37,584,344	34,343,473	3,240,871
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 80,515,269	$ 56,196,971	$ 24,318,298

Comments – Assets

Other assets increased primarily due to a substantial increase in cash and cash equivalents resulting from active management and budgeting of expenditures during the year, higher property taxes receivable from increased property valuations, and higher accounts receivable related to wildland deployments. Capital assets increased due to ongoing capital improvements to District buildings, including a new station and training center.

Comments – Liabilities

Total liabilities increased primarily due to the purchase of additional fire apparatus, the acquisition of new administrative office space, and the replacement of existing Fire Station 3 with a facility set to open in 2027.

Comments – Net Position

The increase in total net position of 3,240,871 is a result of the District's revenue over expenses.

STATEMENT OF ACTIVITIES

Condensed comparative statements and comments relating to significant changes:

	2025		2024		Change
Revenues					
Program Revenues					
Charges for Services	$ 2,966,796	47%	$ 2,021,202	8%	$ 945,594
Grants and Contributions	74,508	173%	27,257	0%	47,251
Total Program Revenues	3,041,304		2,048,459		992,845
General Revenues					
Property Taxes	19,822,385	16%	17,054,202	68%	2,768,183
IGA Revenue	-	0%	4,688,364	19%	(4,688,364)
Gain on Transfer of Assets From IGA Revenue	-	0%	84,833	0%	(84,833)
Impact Fees	181,720	53%	389,819	2%	(208,099)
Investment Earnings	641,151	391%	130,621	1%	510,530
Gain on Disposal of Capital Assets	15,255	97%	477,056	2%	(461,801)
Volunteer Pension Benefit	-	0%	30,229	0%	(30,229)
Miscellaneous	33,820	35%	52,415	0%	(18,595)
Total General Revenues	20,694,331		22,907,539	92%	(2,213,208)
Total Revenues	23,735,635		24,955,998		(7,194,599)
Expenses					
Personnel Services	15,041,522	19%	12,617,061	76%	2,424,461
Depreciation/Amortization	1,714,405	25%	1,375,090	8%	339,315
Administration	1,100,812	15%	959,555	6%	141,257
Communications	404,591	45%	279,208	2%	125,383
Vehicles	388,908	19%	477,803	2%	(88,895)
Interest and Fiscal Charges	880,060	551%	135,273	1%	744,787
Operation Equipment	559,620	18%	472,388	40%	87,232
Buildings	162,734	1%	164,319	1%	(1,585)
Training and Education	134,459	9%	123,726	1%	10,733
Fire Prevention	6,807	26%	9,170	0%	(2,363)
Utilities	100,846	15%	88,070	1%	12,776
Total Expenses	20,494,764		16,701,663		3,793,101
Change in Net Position	3,240,871		8,254,335		$ (5,013,464)
Net Position - January 1	34,343,473		26,089,138		
Net Position - December 31	$ 37,584,344		$ 34,343,473		

Comments – Revenues

The District operations are funded by a combination of tax collections and program fees. Property taxes increased due to significant increases in property valuations compared with the prior year.

Comments – Expenses

Expenses increased primarily due to wage increases.

BUDGET COMPARISON

A comparison of the final budget and actual income statement follows:

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues and Other Financing Sources			
Tax Receipts	$ 19,262,655	$ 19,822,385	$ 559,730
Operating Revenue	1,831,500	2,966,796	1,135,296
Interest	127,220	641,151	513,931
Miscellaneous Revenue	3,014,272	303,167	(2,711,105)
Lease proceeds	-	19,983,329	19,983,329
Total Revenues and Other Financing Sources	24,235,647	43,716,828	19,481,181
Expenses			
Administration	1,312,756	1,100,812	211,944
Buildings	202,000	154,155	47,845
Commnications	363,000	404,591	(41,591)
Fire Prevention	13,500	6,807	6,693
Vehicles	390,700	389,006	1,694
Operational Equipment	674,769	538,738	136,031
Wages	11,725,596	11,421,962	303,634
Benefits	3,541,603	3,381,297	160,306
Training and Education	230,579	134,459	96,120
Utilities	102,500	100,846	1,654
Capital Outlay	10,165,960	6,923,922	3,242,038
Debt Services	206,915	595,929	(389,014)
Total Expenditures	28,929,878	25,152,524	3,777,354
Revenues and Other Financing Sources over Expenditures	$ (4,694,231)	$ 18,564,304	$ 23,258,535

CAPITAL ASSETS AND DEBT ADMINISTRATION

All the District's long-term debt is scheduled to be paid off by 2035. The District is also managing to put away savings for future capital purchases, something it has only been able to do starting in 2023. Lastly, the District has evaluated and deemed that additional fire stations may be necessary. It is working internally to develop a plan for related expenditures and the potential for new debt.

ECONOMIC CONDITIONS AFFECTING THE DISTRICT

A few issues will affect the District's financial position over the next few years.

1. The District is currently experiencing record growth in single-family housing quantities and market pricing, which will enhance revenues. There are some predictions that the housing market boom will begin to subside over the next few years. If the trend is just quantity, only the growth of District revenues would slow down. However, if market value is also negatively affected, this would reduce District revenues.
2. Due to the passage of state legislation in 2024, fire districts are now permitted to collect impact fees within the counties without express permission from the county commissioners. A nexus study was commissioned in 2025, and the District is working alongside the relevant Home Builders Association to determine the extent of the fee increase. Additionally, the District will be evaluating sales tax to diversify revenue. After approval from the Board of Directors, new impact fees will be assessed within the relevant counties starting in 2026.
3. El Paso County's ambulance contract extends to the end of 2025, with options for renewal. The ambulance contract provides EMS services to fire districts that lack their own EMS transport service, unlike the District. It's possible that in the near future, the District may be asked to assist other fire districts in providing EMS services within their jurisdictions. This would translate to higher EMS-related revenues and expenses, including the possibility of an additional staffed ambulance.
4. Significant commercial growth is currently in the planning stages for the District's coverage area. If this continues, there could be significant growth in revenue coming to the District over the next few years.
5. Possible organizational consolidations that could affect District revenues/expenses are consistently talked about as future possibilities.
6. There are always possible legislative issues that could affect the District if passed in the future.

REQUESTS FOR INFORMATION

This financial report provides a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. Any questions about this report or if additional information is required, contact the Fire Chief Andy Kovacs at akovacs@monumentfire.org.

BASIC FINANCIAL STATEMENTS

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS		
Cash and cash equivalents	$	16,991,853
Restricted cash and investments		18,957,648
Cash with County Treasurer		141,101
Property tax receivable		19,232,854
Accounts receivable		683,818
Ambulance receivable, net		693,848
Prepaid items		467,009
Other assets		25,000
Net pension asset - Volunteer Firefighter's Pension Plan		71,918
Capital assets, not being depreciated		2,900,474
Capital assets, net of depreciation		16,345,119
Total assets		76,510,642
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows - Statewide Retirement Plan		3,940,015
Deferred pension outflows - Volunteer Firefighter's Pension Plan		64,612
Total deferred outflows of resources		4,004,627
LIABILITIES		
Accounts payable and other accrued liabilities		390,869
Accrued salaries and benefits		44,349
Accrued interest payable		556,052
Long-term liabilities:		
Due within one year		1,023,646
Due in more than one year		20,888,258
Total liabilities		22,903,174
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows - Statewide Retirement Plan		730,660
Deferred pension inflows - Volunteer Firefighter's Pension Plan		64,237
Unavailable property tax revenue		19,232,854
Total deferred inflows of resources		20,027,751
NET POSITION		
Net investment in capital assets		15,732,712
Restricted:		
Impact fees		630,993
TABOR		709,000
Unrestricted		20,511,639
Total net position	$	37,584,344

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

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:				
Administration	$ 1,100,812	$ -	$ -	$ (1,100,812)
Building	609,953			(609,953)
Communication	429,616			(429,616)
Fire prevention	6,807			(6,807)
Vehicles	1,462,967			(1,462,967)
Operations equipment	727,722		74,508	(653,214)
Wages	11,178,428	2,966,796		(8,211,632)
Benefits	3,863,094			(3,863,094)
Training and education	134,459			(134,459)
Utilities	100,846			(100,846)
Interest and fiscal charges	880,060	-	-	(880,060)
Total governmental activities	$ 20,494,764	$ 2,966,796	$ 74,508	(17,453,460)
	General revenues:			
	General property tax			18,082,670
	Specific ownership tax			1,739,715
	Investment earnings			641,151
	Other income			215,540
	Gain on the disposal of capital assets			15,255
	Total general revenues			20,694,331
	Change in net position			3,240,871
	Net position - beginning			34,343,473
	Net position - ending			$ 37,584,344

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

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund
ASSETS	
Cash and cash equivalents	$ 16,991,853
Restricted cash and investments	18,957,648
Cash with County Treasurer	141,101
Property tax receivable	19,232,854
Accounts receivable	683,818
Ambulance receivable, net	693,848
Prepaid items	467,009
Other assets	25,000
Total assets	$ 57,193,131
LIABILITIES	
Accounts payable and other accrued liabilities	$ 390,869
Accrued salaries and benefits	44,349
Total liabilities	435,218
DEFERRED INFLOWS OF RESOURCES	
Unavailable property tax revenue	19,232,854
FUND BALANCE	
Nonspendable	467,009
Restricted:	
Loan proceeds	18,326,655
Impact fees	630,993
TABOR	709,000
Assigned:	
Capital reserves	1,247,344
Fleet capital	1,726,582
Contingency	1,787,985
Unassigned	12,629,491
Total fund balance	37,525,059
Total liabilities, deferred inflows of resources, and fund balance	$ 57,193,131

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

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds		$ 37,525,059
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets, not being depreciated	$ 2,900,474	
Capital assets, net of depreciation	16,345,119	19,245,593
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Net pension asset - Volunteer Firefighter's Pension	$ 71,918	
Pension outflows - Statewide Retirement Plan	3,940,015	
Pension outflows - Volunteer Firefighter's Pension	64,612	
Pension inflows - Statewide Retirement Plan	(730,660)	
Pension inflows - Volunteer Firefighter's Pension	(64,237)	
Compensated absences	(198,159)	
Accrued interest payable	(556,052)	
Lease payable	(21,713,745)	(19,186,308)
Net Position of governmental activities in the statement of net position		$ 37,584,344

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

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund
REVENUES	
Tax receipts:	
Property taxes	$ 18,082,670
Specific ownership taxes	1,739,715
Charges for services:	
Ambulance revenue	1,988,020
Wildland deployment	977,596
Other operating revenue	1,180
Grants and contributions	74,508
Investment earnings	641,151
Other income	228,659
Total revenues	23,733,499
EXPENDITURES	
Operations:	
Administration	1,100,812
Building	154,155
Communication	404,591
Fire prevention	6,807
Vehicles	389,006
Operations equipment	538,738
Wages	11,421,962
Benefits	3,381,297
Training and education	134,459
Utilities	100,846
Capital outlay	6,923,922
Debt service:	
Principal	306,519
Interest and fiscal charges	289,410
Total expenditures	25,152,524
Excess (deficit) of revenues over expenditures	(1,419,025)
OTHER FINANCING SOURCES	
Lease proceeds	19,983,329
Net change in fund balance	18,564,304
Fund balance - beginning	18,960,755
Fund balance - ending	$ 37,525,059

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

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds:		$ 18,564,304
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 outlays	$ 6,908,160	
Depreciation/amortization	(1,714,405)	5,193,755
The net effect of various transactions involving capital assets (i.e., disposals and contributions) is to decrease net position.		(11,466)
Governmental funds measure compensated absences by the amount of financial resources used, whereas these expenses are reported in the statement of activities based on the amounts incurred during the year.		243,537
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Lease proceeds	$ (19,983,329)	
Repayment of principal	306,519	(19,676,810)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Interest expense	$ (590,651)	
Pension expenses - Statewide Retirement Plan	(441,124)	
Pension expenses - Volunteer Firefighter's Pension	(40,674)	(1,072,449)
Change in net position of governmental activities		$ 3,240,871

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tri-Lakes Monument Fire Protection District (the District) provides fire suppression, fire protection and education, rescue, hazardous materials, emergency medical, and ambulance services (collectively, "Emergency Services") to the citizens within its jurisdiction and to individuals passing through its jurisdiction.

On January 1, 2005, the Tri-Lakes Monument Fire Authority (Authority) was formed under Section 29-1-203, Colorado Revised Statutes (CRS). The Authority was established through an Intergovernmental Fire District Establishment Agreement between the Woodmoor/Monument Fire District and the Tri-Lakes Fire Protection District. On October 2, 2007, the voters of the Woodmoor/Monument Fire Protection District approved a plan to dissolve the Woodmoor/Monument Fire Protection District, effectively dissolving the Tri-Lakes Monument Fire Authority as well. On January 1, 2008, the District formally changed its name from the Woodmoor/Monument Fire Protection District to the Tri-Lakes Monument Fire Protection District.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

The District is a special district governed by an elected seven-member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The District has no component units, nor is it a component unit of another unit.

B. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

C. BASIS OF PRESENTATION — FUND FINANCIAL STATEMENTS

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental fund:

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

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The 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 period or soon enough thereafter to pay liabilities of the current fiscal 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, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, charges for services, 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. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period of this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

E. ASSET, LIABILITIES, AND NET POSITION/FUND BALANCE

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are valued at the pool's share price, the price at which the investment could be sold.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid items

Payments made for expenses that will benefit periods beyond December 31, 2025 are recorded as prepaid expenses.

Capital Assets

Capital assets are reported 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 one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Buildings and improvements	7-39 years
Vehicles	3-15 years
Equipment	3-10 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

Tri-Lakes Monument Fire Protection District participates in the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, 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 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.

Tri-Lakes Monument Fire Protection District participates in the Volunteer Firefighters' Pension Plan (VFPP), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association (FPPA). The net pension liability, 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 Volunteer Plan 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.

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.

Leases

Lessee: The District is a lessee for noncancellable leases. The District recognizes a lease liability and an intangible right-to-use lease assets in the financial statements. The District recognizes lease liabilities with an initial, individual value of $50,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-term liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

F. REVENUES AND EXPENDITURES/EXPENSES

Program revenues

Amounts reported as *program revenues* include 1) fees and 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. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and payable in two installments due February 28 and June 15, or in one installment due April 30. El Paso County Treasurer bills and collects property taxes for the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The mill levy for general operating expenses for the year ended December 31, 2025 was 18.4 mills. The District's assessed valuation for 2025 was $981,124,980.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences

The District recognizes a liability for compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is reported for leave that is attributable to services already rendered, is to be used for time off, and is more likely than not to be used for time off or otherwise paid.

Vacation leave that meets these criteria is accrued when earned in the government-wide financial statements. Sick leave is accrued only to the extent that it is reasonably expected to be paid upon separation or used in future periods. The amount reported as a liability is based on the pay rates in effect at the end of the reporting period and includes applicable salary-related payments.

In the governmental fund financial statements, compensated absences are recognized as expenditures only when due.

G. ESTIMATES

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

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1) In the fall, a proposed operation budget is submitted to the Board for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2) Public hearings are conducted by the District to obtain taxpayer comments.
3) Prior to December 31, the budget is legally enacted through passage of a resolution. This authorizes a lump-sum expenditure budget by fund for the District. This aggregate expenditure budget, by fund, then becomes the level of control upon which expenditures cannot legally exceed appropriations. An appropriation ordinance is also adopted which allocates the total budget by fund.
4) Any revisions that alter the budget of any fund must be approved by the Board by passage of a resolution.
5) Formal budgetary integration is employed as a management control device during the year for the general and pension funds.
6) Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board.
7) All annual appropriations lapse at the end of the year.

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2025 is as follows:

Deposits	$ 15,850,956
Investments	20,098,545
Total	$ 35,949,501

Deposits and investments are reported in the financial statements as follows:

Cash and cash equivalents	$ 16,991,853
Restricted cash and investments	18,957,648
Total	$ 35,949,501

Cash deposits with fiscal institutions

Custodial credit risk-deposits. Colorado state statutes govern the entity's deposit of cash. The Public Deposit Protection Acts for banks and savings and loans requires the state regulators to certify eligible depositories for public deposits. The acts require the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the assets in the pool must be at least equal to 102% of uninsured deposits.

At December 31, 2025, the carrying amounts of the District's deposits were $15,850,956 and the bank balances were $16,252,129. Of the total bank balances, $500,000 was covered by FDIC insurance and the remaining balance of $15,752,129 falls under the provisions of the Colorado Public Deposit Protection Acts which are collateralized in single institution pools.

Investments

The District is authorized by Colorado statutes to invest in the following:

- Obligations of the United States and certain U.S. government agencies' securities;
- Certain international agencies' securities;
- General obligation and revenue bonds of U.S. local government entities;
- Bankers' acceptances of certain banks;
- Certain commercial paper;
- Local government investment pools;
- Written repurchase agreements collateralized by certain authorized securities;
- Certain money market fund;
- Guaranteed investment contracts.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2025, the District's investment balances were as follows:

Investment Type	Year-end Balance	Measurement	Maturity	Standard & Poor's Rating
ColoTrust	$ 20,098,545	Net asset value	Less than 90 days	AAAm

Local Government Investment Pool.

The Colorado Local Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the pools, which operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to $1.00. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians' internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to interest rate risk, the District has a board approved investment policy that limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and District policy limit investments to those described above.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District places no limit on the amount it may invest in any one issuer. More than 20 percent of the District's investments are in ColoTrust. These investments are 100.0% of the District's total investments.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Fair value of investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

District investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

NOTE 4 – ACCOUNTS RECEIVABLE

Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability. Accounts receivable at December 31, 2025 consist of the following:

Wildland Receivable	$ 668,397
Accounts Receivable - Other	15,421
Total Accounts Receivable	$ 683,818
Ambulance Receivable	$ 1,051,285
Allowance for Uncollectable Accounts	(357,437)
Total Ambulance Receivable	$ 693,848

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 were:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	$ 675,103	$ -	$ -	$ 675,103
Construction in progress	820,861	1,551,797	(147,287)	2,225,371
Total capital assets not being depreciated	1,495,964	1,551,797	(147,287)	2,900,474
Capital assets being depreciated:				
Buildings and improvements	10,853,328	2,793,233	-	13,646,561
Vehicles	8,691,768	147,287	(96,294)	8,742,761
Ambulances	1,249,236	317,996	-	1,567,232
Firefighting equipment	1,136,857	-	(132,672)	1,004,185
Medical equipment	438,195	235,045	(197,205)	476,035
Communications equipment	591,824	-	-	591,824
Specialty vehicles	106,541	26,760	-	133,301
Total capital assets being depreciated	23,067,749	3,520,321	(426,171)	26,161,899
Less accumulated depreciation for:				
Buildings and improvements	(3,547,695)	(248,886)	-	(3,796,581)
Vehicles	(4,717,978)	(882,968)	84,828	(5,516,118)
Ambulances	(701,739)	(162,396)	-	(864,135)
Firefighting equipment	(645,638)	(115,872)	132,672	(628,838)
Medical equipment	(321,354)	(52,230)	197,205	(176,379)
Communications equipment	(526,070)	(25,025)	-	(551,095)
Specialty vehicles	(39,935)	(28,695)	-	(68,630)
Total accumulated deprecation	(10,500,409)	(1,516,072)	414,705	(11,601,776)
Total capital assets being depreciated, net	12,567,340	2,004,249	(11,466)	14,560,123
Lease assets being amortized:				
Office	-	1,983,329	-	1,983,329
Less accumulated amortization for:				
Office	-	(198,333)	-	(198,333)
Total lease assets being amortized, net	-	1,784,996	-	1,784,996
Capital assets, net of accumulated depreciation/amortization	12,567,340	3,789,245	(11,466)	16,345,119
Total governmental activities capital assets	$ 14,063,304	$ 5,341,042	$ (158,753)	$ 19,245,593

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to functions/programs as follows:

Building	$ 447,219
Communication	25,025
Vehicles	1,074,059
Operations equipment	168,102
Total	$ 1,714,405

NOTE 6 – LEASES

District as lessee

The District, as a lessee, has entered into a commercial lease agreement for real property and improvements with lease terms of 10 years. The total costs of these right-to-use lease assets are recorded as $1,983,329, less accumulated amortization of $198,333. The District has determined that as of December 31, 2025, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of December 31, 2025 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	$ 144,309	$ 83,321	$ 227,630
2027	157,632	76,827	234,459
2028	171,759	69,734	241,493
2029	186,733	62,005	248,738
2030	202,598	53,602	256,200
2031 - 2034	988,548	115,450	1,103,998
Total	$ 1,851,579	$ 460,939	$ 2,312,518

NOTE 7 - LONG-TERM LIABILITIES

Lease Purchase Agreements

On February 25, 2022, the District entered a lease agreement in the amount of $1,536,925 to finance the purchase of a 2022 Pierce Velocity 100’ Ascendent Mid Mount Aerial Tower Fire Truck. Annual payments of $152,009 are due through February 25, 2035, and bear interest at 3.8%. The loan is collateralized by the fire truck.

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

On July 28, 2022, the District entered a lease purchase agreement in the amount of $829,680 to finance the purchase of a 2022 Pierce Enforcer Pumper Fire Truck. Annual payments of $104,390 are due through July 28, 2032, and bear interest at 4.4%. The loan is collateralized by the fire truck.

On May 30, 2025, the District entered a lease purchase agreement in the amount of $18,000,000 to finance the purchase of real property and construction of New Fire Station 3. Annual payments of $1,383,936 are due through June 1, 2035, and bear interest at 4.5%.

Debt service requirements to maturity are as follows:

Fiscal Year Ending December 31	Governmental Activities Principal	Governmental Activities Interest
2026	$ 753,547	$ 886,789
2027	788,905	851,431
2028	823,572	816,764
2029	859,768	780,568
2030	897,558	742,777
2031 – 2035	15,738,816	3,100,083
Total	$ 19,862,166	$ 7,178,412

Changes in the District's long-term liabilities for the year ended December 31, 2025, are as follows:

	Beginning Balance	Debt Issued And Additions	Reductions	Ending Balance	Due Within One year
Mitchell office lease	$ -	$ 1,983,329	$ (131,750)	$ 1,851,579	$ 144,309
Lease Purchase					
Pierce Velocity Tower	1,345,904	-	(100,855)	1,245,049	104,688
Pierce Enforcer	691,031	-	(73,914)	617,117	77,173
New Station 3	-	18,000,000	-	18,000,000	571,686
Total lease purchase	2,036,935	18,000,000	(174,769)	19,862,166	753,547
Compensated Absences	441,696	-	(243,537)	198,159	125,790
Total long-term liabilities	$ 2,478,631	$19,983,329	$ (550,056)	$21,911,904	$ 1,023,646

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Statewide Retirement Plan

General Information about the Pension Plan

Plan description. Eligible employees of the Tri-Lakes Monument Fire Protection District are provided with pensions through the Statewide Retirement Plan (SRP) – a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The Plan 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.

The Plan is administered by the Fire & Police Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.FPPAco.org.

Benefits provided. The SRP provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by FPPA.

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with a 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 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 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' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

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

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member. Upon termination, a member may elect to have their member contribution, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 11.00 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 July 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component. A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions 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 as 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.

Employer contributions are recognized by the SRP in the period in which the compensation becomes payable to the member and the Tri-Lakes Monument Fire Protection District is statutorily committed to pay the contributions to the SRP. Employer contributions recognized by the SRP from Tri-Lakes Monument Fire Protection District were $982,746 for the year ended December 31, 2025.

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

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.75%	4.25% - 11.75%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

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

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

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

Asset Class	**Target Allocation**	**Long-Term Expected Rate of Return**
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
Total	**100.0%**	

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

The COLA assumption reflects the true nature of 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 and 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 of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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

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

Sensitivity of the Tri-Lakes Monument Fire Protection District proportionate share of the net pension liability/(asset) to changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability 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%
$ 4,003,819	$ -	$ -

The net pension liability of $0 reflects a reserve for cost of living adjustments and to manage adverse experience of $143,757,639 at a 7.00 percent discount rate and $666,904,279 at a 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 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2025, the Tri-Lakes Monument Fire Protection District reported a liability/(asset) of $0.00 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2024, and the collective total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2025. The Tri-Lakes Monument Fire Protection District proportion of the net pension liability/(asset) was based on Tri-Lakes Monument Fire Protection District contributions to the SRP for the calendar year 2024 relative to the total contributions of participating employers to the SRP.

At December 31, 2024, the Tri-Lakes Monument Fire Protection District's proportion was 0.820469736 percent, which was an increase of 0.0537223090 from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Tri-Lakes Monument Fire Protection District recognized pension expense of $1,423,870. At December 31, 2025, the Tri-Lakes Monument Fire Protection 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	$ 1,971,578	$ 61,670
Changes in assumptions or other inputs	705,610	-
Net difference between projected and actual investment earnings	280,081	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	668,990
Contributions subsequent to the measurement date	982,746	-
Total	$ 3,940,015	$ 730,660

$982,746 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2026	$ 715,694
2027	1,100,799
2028	(6,400)
2029	34,312
2030	184,014
Thereafter	198,190

NOTE 9 - VOLUNTEER FIREFIGHTERS' PENSION PLAN

General Information about the Pension Plan

Plan description. Effective January 1, 2002, the Donald Wescott Fire Protection District affiliated with the Fire and Police Pension Association of Colorado to administer its Volunteer Firefighter Pension Plan (Volunteer Plan) and to manage the plan's assets and activities. The Volunteer Plan was transferred to the District upon final dissolution of Donald Wescott on December 31, 2024.

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, retired volunteer, or active retiree firefighters. The Colorado Revised Statues (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. That report may be obtained on FPPA's website at http://www.FPPAco.org.

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under Colorado Revised Statutes.

Membership as of January 1, 2025:

Retirees and Beneficiaries	16
Inactive, Nonretired Members	2
Total	18

Benefits Provided:

Normal Retirement Benefit at Age 50 with 20 years of service (monthly)		
Regular	$	450.00
Extended service amount per year of service	$	22.50
Vested Retirement Benefit (monthly)		
With 10 to 20 years of service, amount per year of service per minimum vesting years	$	22.50
Minimum vesting years		10
Disability Retirement Benefit (monthly)		
Short term for line of duty injury – amount payable for not more than 1 year	$	225.00
Long term for line of duty injury – lifetime benefit	$	450.00

NOTE 9 - VOLUNTEER FIREFIGHTERS' PENSION PLAN (CONTINUED)

Survivor benefit (monthly)		
Death before normal retirement due to death in the line of duty	$	225.00
Death after normal retirement	$	225.00
Death after normal retirement with extended service per year of service	$	11.25
Death after vested retirement with 10 to 20 years of service – amount per year of service per minimum vesting years	$	11.25
Death after disability retirement	$	225.00
Funeral Benefits lump sum, one time only	$	900.00

Contributions. The District makes contributions based upon District established benefits; the needs and best interest of the District, the VFPP, and the VFPP beneficiaries; and the funding that would be required in order to maintain the actuarial soundness of the plan, based upon a biennial actuarial study. VFPP members do not made contributions. The State of Colorado also contributes to the plan in an amount set by statute. The District contributed $0.00 for the year ended December 31, 2025, equal to the actuarially calculated contribution.

Actuarial Assumptions and Methods:

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

Methods and assumptions used to determine contribution rates for the Fiscal Year Ending December 31, 2024:

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 rate	2.50%
Projected salary increases	N/A
Investment rate of return	7.00%
Retirement age	50% per year of eligibility until 100% at age 65

NOTE 9 - VOLUNTEER FIREFIGHTERS' PENSION PLAN (CONTINUED)

Mortality	**Pre-retirement**: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with 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 Rate of Return. 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:

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%**	

NOTE 9 - VOLUNTEER FIREFIGHTERS' PENSION PLAN (CONTINUED)

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 6.0%; 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%.

Based on plan maturity metrics, it is expected that the assets of this plan will be transitioned to FPPA's short-term pool within the next decade. Effective with the valuation as of January 1, 2025, the long-term expected rate of return was changed to 6.00% to reflect this expectation.

Changes in the Net Pension Liability/(Asset)

Changes in the District's net pension asset for the year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) – (b)
Balances at 12/31/23	$ 803,667	$ 914,896	$ (111,229)
Changes for the year:			
Interest on the total pension liability	53,925	-	53,925
Differences – experiences	(5,852)	-	(5,852)
Changes in assumptions	71,574	-	71,574
Benefit payments	(67,770)	(67,770)	-
District contributions	-	-	-
Pension plan net investment income	-	86,163	(86,163)
Administrative expenses	-	(5,827)	5,827
Net Changes	51,877	12,566	39,311
Balance at 12/31/24	$ 855,544	$ 927,462	$ (71,918)

NOTE 9 - VOLUNTEER FIREFIGHTERS' PENSION PLAN (CONTINUED)

Sensitivity of the District's Net Pension Liability/(Asset) to changes in the Discount Rate. The following presents the net pension liability/(asset) calculated using the discount rate of 6.00 percent, as well as the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Proportionate share of the net pension liability/(asset)	$ 12,468	$ (71,918)	$ (143,492)

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 $40,674.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 15,552
Change in assumptions and other inputs	1,747	-
Net difference between projected and actual earnings on pension plan investments	62,865	46,685
Total	$ 64,612	$ 64,237

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

Year ended December 31:	
2026	$ (7,050)
2027	21,893
2028	(9,539)
2029	(4,929)
2030	-
Thereafter	-
Total	$ 375

NOTE 10 – STATEWIDE DEATH AND DISABILITY PLAN

Plan description. The District contributes to the Statewide Death and Disability Plan (SWD&D), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&D 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&D 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 1998 pursuant to Colorado Revised Statutes. FPPA issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained on FPPA's website at http://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 contributing the entire 3.8%. For the year ending December 31, 2025, the District's contributions to the SWD&D were $342,417 equal to the required contributions for the year.

NOTE 11 – DEFERRED COMPENSATION PLAN

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

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

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 12 - RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks did not exceed commercial insurance coverage during the last three fiscal years.

NOTE 13 – COMMITMENTS

Fire apparatus acquisition financing arrangement

The District entered into a lease-purchase financing agreement in 2023 for the acquisition of two Pierce Velocity Pumpers ("the trucks") with a total financed amount of $1,712,001. As of December 31, 2025, the trucks were under manufacture by the vendor and had not yet been delivered to, or placed under the control of, the District.

Because the District has not obtained control of, or the right to use, the fire apparatus as of year-end, no capital asset or lease-purchase liability has been recognized in the government-wide financial statements. The related commitment is disclosed as a contractual obligation.

The financing agreement requires interest-only payments prior to delivery of the apparatus. During the years ended December 31, 2024 and 2025, the District incurred interest expense of $118,471 in each year related to this agreement. These amounts are reported as interest expense in the government-wide statement of activities.

Delivery of the trucks is currently expected in 2026, at which time the District anticipates recognizing the related capital assets and long-term lease-purchase obligation and commencing principal repayments. Total remaining contractual commitments under the agreement will be recognized upon delivery and control transfer.

NOTE 14 - AMENDMENT TO COLORADO CONSTITUTION

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, 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.

NOTE 14 - AMENDMENT TO COLORADO CONSTITUTION (CONTINUED)

District voters approved and authorized the District to collect, retain and spend for fire protection purposes all revenue from tax levies and all other District revenue as a voter approved revenue change and exception to limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution.

TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3 percent of fiscal year spending. TABOR allows local governments to import emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. As of December 31, 2025, $709,000 is restricted for emergencies.

TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The District believes it has complied with all aspects of the TABOR amendment.

NOTE 15 – SUBSEQUENT EVENTS

The District has entered into an agreement to purchase land in the amount of $1,045,440 in March 2026.

Station 3 is in the process of being sold to Woodmoor Water. After the sale the District will then lease the old Station 3 until the new Station 3 is ready for use.

REQUIRED SUPPLEMENTARY INFORMATION

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Tax receipts	$ 19,262,655	$ 19,262,655	$ 19,822,385	$ 559,730
Operating revenue	1,831,500	1,831,500	2,966,796	1,135,296
Interest earnings	127,220	127,220	641,151	513,931
Miscellaneous revenue	3,014,272	3,014,272	303,167	(2,711,105)
Total revenues	24,235,647	24,235,647	23,733,499	(502,148)
EXPENDITURES				
Administration	1,312,756	1,312,756	1,100,812	211,944
Building	202,000	202,000	154,155	47,845
Communication	363,000	363,000	404,591	(41,591)
Fire prevention	13,500	13,500	6,807	6,693
Vehicles	390,700	390,700	389,006	1,694
Operations equipment	674,769	674,769	538,738	136,031
Wages	11,725,596	11,725,596	11,421,962	303,634
Benefits	3,541,603	3,541,603	3,381,297	160,306
Training and education	230,579	230,579	134,459	96,120
Utilities	102,500	102,500	100,846	1,654
Capital outlay	10,165,960	10,165,960	6,923,922	3,242,038
Debt service:				
Principal	-	-	306,519	(306,519)
Interest and fiscal charges	206,915	206,915	289,410	(82,495)
Total expenditures	28,929,878	28,929,878	25,152,524	3,777,354
Excess (deficit) of revenues over expenditures	(4,694,231)	(4,694,231)	(1,419,025)	3,275,206
OTHER FINANCING SOURCES				
Lease proceeds	-	-	19,983,329	19,983,329
Net Change in Fund Balance	(4,694,231)	(4,694,231)	18,564,304	23,258,535
Fund balances - beginning	14,687,350	14,687,350	18,960,755	4,273,405
Fund balances - ending	$ 9,993,119	$ 9,993,119	$ 37,525,059	$ 27,531,940

See the accompanying independent auditors' report

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.820469736%	0.77%	0.77%	0.58%	0.56%	0.57%	0.56%	0.48%	0.50%	0.50%
District's proportionate share of the net pension liability (asset)	$ -	$ -	$ 686,736	$ (3,117,229)	$ (1,206,896)	$ (320,207)	$ 710,680	$ (687,180)	$ 179,319	$ (8,871)
District's covered payroll	$ 8,946,200	$ 7,548,042	$ 5,483,338	$ 4,576,285	$ 4,414,946	$ 4,172,880	$ 3,765,200	$ 2,793,943	$ 2,539,791	$ 2,439,344
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	12.52%	-68.12%	-27.34%	-7.67%	18.87%	-24.60%	7.06%	-0.36%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%

* The amounts presented for each year were determined as of 12/31.

See the accompanying independent auditors' report.

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S STATUTORY PAYROLL CONTRIBUTIONS AND COVERED PAYROLL
DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 982,746	$ 894,620	$ 715,621	$ 493,501	$ 388,983	$ 352,171	$ 333,830	$ 301,217	$ 223,515	$ 203,183
Contributions in relation to the statutorily required contribution	(982,746)	(894,620)	(715,621)	(493,501)	(388,983)	(352,171)	(333,830)	(301,217)	(223,515)	(203,183)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 9,359,486	$ 8,946,200	$ 7,548,042	$ 5,483,338	$ 4,576,285	$ 4,414,946	$ 4,172,880	$ 3,765,200	$ 2,793,943	$ 2,539,791
Contributions as a percentage of covered payroll	10.50%	10.00%	9.50%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%

* The amounts presented for each year were determined as of 12/31.

See the accompanying independent auditors' report.

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - VOLUNTEER FIREFIGHTERS' PENSION PLAN
FISCAL YEARS ENDED DECEMBER 31,

	2024	2023
Total pension liability (TPL)		
Service cost	$ -	$ -
Interest on the total pension liability	53,925	54,889
Differences between expected and actual experience	(5,852)	-
Changes in assumptions or other inputs	71,574	-
Benefit payments, including refunds of member contributions	(67,770)	(69,514)
Net change in total pension liability	51,877	(14,625)
Total pension liability—beginning	803,667	818,292
Total pension liability—ending (a)	$ 855,544	$ 803,667
Plan fiduciary net position		
Contributions—employer	$ -	$ -
Net investment income	86,163	83,928
Benefit payments, including refunds of member contributions	(67,770)	(69,514)
Administrative expense	(5,827)	(6,915)
Contributions—State matching	-	-
Net change in plan fiduciary net position	12,566	7,499
Plan fiduciary net position—beginning	914,896	907,397
Plan fiduciary net position—ending (b)	$ 927,462	$ 914,896
Net pension liability (asset)—ending (a) – (b)	$ (71,918)	$ (111,229)
Plan fiduciary net position as a percentage of the total pension liability	108.41%	113.84%
Covered Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A

Note: complete 10-year information will be presented in future years, as it becomes available.

See the accompanying independent auditors' report.

TRI-LAKES MONUMENT FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
FISCAL YEARS ENDED DECEMBER 31,

	2024	2023
Actuarially determined contribution	$ -	$ 2,889
Contributions in relation to the actuarially required contribution:		
District contribution	-	-
State of Colorado contribution	-	-
Contribution deficiency (excess)	$ -	$ 2,889
District's covered payroll	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A

NOTE: Complete 10-year information will be presented in future years, as it become available.

See the accompanying independent auditors' report.