FREMONT SANITATION DISTRICT

FINANCIAL STATEMENTS
December 31, 2025

Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

6140 S. Gun Club Rd, Suite K6-132
Aurora, Colorado 80016
303.835.6815
Fax: 303.997.1056

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fremont Sanitation District
Fremont County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Fremont Sanitation District, which comprise the statements of net position as of December 31, 2025 and 2024, and the related statements of revenues, expenses and changes in fund net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Fremont Sanitation District as of December 31, 2025 and 2024, and the respective changes in financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fremont Sanitation District, and to meet our 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 the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i – viii, and schedule of the proportionate share of the net pension liability, the schedule of pension contributions, schedule of the proportionate share of the net OPEB liability and the schedule of district OPEB contributions on pages 35 – 38, respectively, 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Logan and Associates, LLC

Aurora, Colorado
April 6, 2026

Fremont Sanitation District

107 Berry Parkway, Cañon City, CO 81212
Phone: (719) 269-9050
E-Mail: epay@fsd.co
Website: www.fsd.co

ANNUAL REPORT
YEAR ENDING DECEMBER 31, 2025

OVERVIEW

This annual report consists of the following parts: Management's Discussion and Analysis, Basic Financial Statements, and Supplementary Information. The Financial Statements include notes that explain in detail some of the information included in the basic financial statements.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025

- Total Assets increased by $3,703,671.
- Depreciation expense totaled $906,910.
- Total Liabilities decreased by $675,085.
- Total Net Position, after accumulated depreciation expense, increased by $3,966,055.
- Long Term Debt decreased by $50,746.
- Operating Revenues increased by $521,001.
- Operating Expenses increased by $305,552.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of this section is to provide non-technical information, so that the average District "shareholder" can understand the financial condition of the District. This understanding can then be utilized when evaluating rate increases and the effectiveness and efficiency of the District's operations.

WHO WE ARE

Fremont Sanitation District is a “Quasi-Private Public Entity” formed under Colorado’s Special District Laws. This means that we are a public body which is overseen by an elected Board of Directors, similar to a City and City Council. Unlike a City, however, we operate as a non-profit business commonly referred to as an “enterprise fund.” All of the people living in or who own property within our boundaries are the “shareholders.” All “shareholders” are eligible to vote on who is to sit on the Board of Directors. Only “shareholders” who live in or own property within the District’s boundaries are eligible to be elected to sit on the Board of Directors. The Board’s primary responsibilities are to protect the public’s health and its capital investment in treatment and collection systems, while meeting environmental protection laws.

We use the term “shareholder” here, rather than citizen or customer, because “shareholder” more accurately depicts the working relationship between the Board of Directors/District employees and the citizens/customers (shareholders) of the District. This working relationship creates a shared interest in the proper maintenance and operation of the system.

The District has approximately 173 miles of pipes and 2,700 manholes that make up the collection system. On average, this system transports 3.4 million gallons of wastewater to the treatment plant each day for treatment. Pipes range in size from 6-inch to 36-inch diameter and are buried up to 40 feet in the ground. During the year, the District issued 35 new permits for sanitary sewer. District boundaries contain an estimated population (including inmates) of 34,000 people.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the District report information utilizing the full accrual basis of accounting. The Statement of Net Position (page 1) includes information on the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). The Statement of Revenues, Expenses, and Changes in Fund Net Position (page 2) identifies the District's revenues and expenses for the fiscal year ended December 31, 2025. The third financial statement is the Statement of Cash Flows (page 3). This statement provides information on the District's cash receipts, cash payments, and changes in cash resulting from operations, investments, and capital & related financing activities. From the Statement of Cash Flows, the reader can obtain information on the source and use of cash and cash equivalent balances for the past fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT

When evaluating the financial condition of an entity, the first thing to look at is the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. For 2025, the District's current assets, defined as those resources reasonably expected to be realized in cash or consumed within one year, increased by $2,160,412. The District's current assets include Cash/Equivalents, Investments, Restricted Cash/Equivalents, Restricted Investments, Accounts Receivable, Prepaid Expenses, and Inventory.

Capital Assets, defined as an item costing more than $5,000 with an expected useful life of more than one year, increased by $1,543,259 in 2025. The District's system of pipelines, Service Center, Wastewater Treatment Plant, and fleet of equipment comprise the majority of the District's capital assets. In order to maintain an acceptable accounting standard of reporting, the District reported depreciation expense in the amount of $906,910 on these capital assets in 2025. Total Assets, which includes the total resources owned by the District, increased by $3,703,671.

Generally, when Current Assets and Total Assets are increasing, it is a sign of financial growth. However, Current and Total Liabilities must also be evaluated. When these items begin to increase more than the Current or Total Asset accounts, further assessment may be warranted. Current Liabilities, which are short-term financial obligations that are due within one year, include Accounts/Retainages Payable, Accrued Salaries, Unearned Revenue, Interest Payable, Loans/Bonds Payable, and Compensated Absences Payable. While some of these items increased during the year, Total Current Liabilities decreased by $192,922 in 2025. This decrease in Total Current Liabilities, as well as the increase in Total Assets, indicate a strong financial position for the District.

Noncurrent Liabilities, which are amounts owed by the District that are due to be paid more than one year from the current period, include items such as Bonds Payable, Net Pension Liability, and Net OPEB Liability. Total Noncurrent Liabilities decreased by $482,163, mostly due to changes in the Pension Liability account. Changes in actuarial assumptions and other financial inputs require the recalculation of this item annually. Net OPEB Liability and Bonds Payable also both show decreases in 2025. Total Liabilities for 2025 decreased by $675,085.

REVENUES

District operations are funded from revenues received from the fees charged for services, interest income, and capital recovery through connection fees.

Condensed Statement of Revenues

Revenue Source	**2024**	**2025**	**Change Increase/(Decrease)**
Residential Customers	$ 4,516,040	$ 4,760,992	$ 244,952
Commercial Customers	$ 971,189	$ 1,027,602	$ 56,413
Institutional Customers	$ 1,913,881	$ 2,131,401	$ 217,520
Capital Recovery	$ 335,250	$ 385,000	$ 49,750
Contributed Capital – Lines	$ 0	$ 956,862	$ 956,862
Interest Income	$ 549,615	$ 602,156	$ 52,541
PERA Pension Adjustment	$ 707,573	$ 0	$ (707,573)
Other Revenues	$ 163,701	$ 247,319	$ 58,618
Total Revenues	**$ 9,157,250**	**$ 10,111,333**	**$ 954,083**

In 2025, charges for services increased by $530,466, mostly due to the 5% rate increase implemented on January 1, 2025. Revenues from residential and commercial customers equaled 100% and 106% of projected 2025 budget amounts, respectively. Revenues from the Federal Correctional Facility were approximately 92% of budgeted amounts. Department of Corrections revenues were approximately 117% of projected amounts due to increased water usage at the facilities. Capital Recovery, in the form of System Development Fees, increased by $49,750, representing approximately 171% of projected amounts. Tap sales were higher than expected due to several commercial accounts increasing or adding water meters during the year. Interest Income and Investment Gains exceeded projected amounts as a result of higher than anticipated interest rates on the District's investments.

EXPENSES

Condensed Statement of Expenses

	2024	2025	Change Increase/(Decrease)
Waste Transmission	$ 1,387,004	$ 1,421,684	$ 34,679
Treatment Plant	$ 1,699,185	$ 1,866,805	$ 167,620
Depreciation of System	$ 761,439	$ 906,910	$ 145,471
Interest Expense	$ 22,437	$ 21,577	$ (860)
District Administration	$ 1,970,521	$ 1,928,303	$ (42,255)
Total Expenses	**$ 5,840,586**	**$ 6,145,278**	**$ 304,655**

CAPITAL ASSETS

As of December 31, 2025, the net book value of the District's Capital Assets totaled $20,336,367. This included additions during the year of $2,450,169 and depreciation totaling $906,910 on those assets being depreciated. Other assets, such as Land, Rights of Way, and Construction in Progress, are not depreciable. In addition, the District has significant assets that are fully depreciated but remain serviceable and still provide an economic benefit to the District.

These assets include many miles of sanitary sewer mains as well as most of the capital assets associated with the wastewater treatment plant.

Condensed Statement of Net Position

	2024	2025	Change Increase/(Decrease)
Assets			
Cash and Other Assets	$ 15,189,777	$ 17,350,189	$ 2,160,412
Capital Assets	$ 18,793,108	$ 20,336,367	$ 1,543,259
Total Assets	**$ 33,982,885**	**$ 37,686,556**	**$ 3,703,671**
Deferred Outflows of Resources	**$ 1,020,433**	**$ 593,199**	**$ (427,234)**
Liabilities			
Outstanding Long-Term Debt	$ 665,789	$ 622,891	$ (42,898)
Net Pension Liability	$ 1,964,264	$ 1,579,003	$ (385,261)
Net OPEB Liability	$ 151,838	$ 97,834	$ (54,004)
Current Liabilities	$ 1,200,792	$ 1,007,870	$ (192,922)
Total Liabilities	**$ 3,982,683**	**$ 3,307,598**	**$ (675,085)**
Deferred Inflows of Resources	**$ 107,369**	**$ 92,836**	**$ (14,533)**
Net Position			
Net Investment in Capital Assets	$ 18,087,319	$ 19,673,476	$ 1,586,157
Restricted	$ 255,000	$ 275,000	$ 20,000
Unrestricted	$ 12,570,947	$ 14,930,845	$ 2,359,898
Total Net Position	**$ 30,913,266**	**$ 34,879,321**	**$ 3,966,055**

LONG-TERM DEBT

As of December 31, 2025, the District had $625,000 in outstanding debt principal, which represents a reduction in the amount of $42,898 as the result of payments during 2025. All of the outstanding debt principal amount is for debt incurred to provide sanitary sewer service to two Local Improvement Districts (LIDs). Those LIDs are responsible for funding the semi-annual debt retirement payments. Monthly fees are collected from accounts within these areas, in addition to the standard monthly fee the Fremont Sanitation District charges all customers. In January 2020, the District refinanced these notes, reducing both the interest rate and the maturity date. These are 20-year notes with varying ending dates. The District has made certain covenants related to these bonds which are discussed in Note 5 on page 12-14 of these financial statements.

<u>Condensed Schedule of Revenues-Expenses Budget and Actual – Budgetary Bases</u>

	2025 Budget Original	2025 Actual
Revenues	$ 9,195,007	$ 9,115,293
Expenses	$ 9,083,138	$ 7,731,623

ECONOMIC FACTORS AND NEXT YEARS BUDGET AND RATES

The District's Board of Directors adopted the 2026 Budget on December 16, 2025. Projected revenues for 2026 are based on a 6% increase to the 2025 rate structure, as approved by the Board. The Board originally considered a 5% increase but opted instead for a 6% increase to allow for the establishment of a reserve fund dedicated specifically to future plant renovations required to meet impending effluent standards and treatment requirements. The District anticipates the collection of System Development Fees in the amount of $225,000 in 2026. In addition, $212,500 is budgeted as income related to the District's SDF funds.

Five Year Projection

Currently, the District is meeting discharge limits that were included in our Permit issued in January 2015. Limits for the discharge of Total Phosphorus and Total Inorganic Nitrogen were added in the 2015 Permit. The District's current Permit expired on February 28, 2020; due to a backlog, the State has not issued a new Permit and has not established a timeline as to when a new Permit will be issued. It is assumed that the discharge limit for Total Phosphorus in the new Permit will be set below the Plant's treatment capability and that additional treatment methods will be required. As mentioned above, the District will establish a dedicated reserve fund for this purpose in 2026, with excess funds being transferred from the Operating Reserve Fund.

District Staff has developed a 10-year Capital Improvement Plan (CIP) that assesses the life expectancy/replacement schedule for facilities, equipment, machinery, and vehicles. This CIP is utilized in the annual Budget preparation process.

Anyone having questions or comments regarding anything in this Audit Report should address them to the District's Board of Directors, at 107 Berry Parkway, Canon City, CO 81212. Comments can be made by phone at (719) 269-9050, or by email to epay@fsd.co.

BASIC FINANCIAL STATEMENTS

FREMONT SANITATION DISTRICT

STATEMENTS OF NET POSITION
December 31, 2025 and 2024

	BUSINESS-TYPE ACTIVITIES	
	2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 1,190,076	$ 1,296,307
Investments	4,648,305	5,448,301
Restricted Cash and Cash Equivalents	368,454	321,664
Restricted Investments	9,989,674	7,011,594
Accounts Receivable	1,015,321	935,908
Prepaid Expenses	4,414	2,114
Inventory	133,945	173,889
Total Current Assets	17,350,189	15,189,777
Capital Assets		
Capital Assets, Not Being Depreciated	1,050,944	4,587,732
Capital Assets, Net of Accumulated Depreciation	19,285,423	14,205,376
Total Capital Assets	20,336,367	18,793,108
TOTAL ASSETS	37,686,556	33,982,885
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources Related to Pensions	560,962	981,971
Deferred Outflows of Resources Related to OPEB	32,237	38,462
TOTAL DEFERRED OUTFLOWS OF RESOURCES	593,199	1,020,433
LIABILITIES		
Current Liabilities		
Accounts and Retainages Payable	109,742	335,655
Accrued Salaries, Wages and Related Liabilities	99,729	84,763
Unearned Revenue - Service Charges	545,456	519,583
Accrued Interest Payable	2,267	2,267
Loans and Bonds Payable, Current Portion	40,000	40,000
Compensated Absences Payable - Current Portion	210,676	218,524
Total Current Liabilities	1,007,870	1,200,792
Noncurrent Liabilities		
Bonds Payable, Including Bond Premium/Discount	622,891	665,789
Net Pension Liability	1,579,003	1,964,264
Net OPEB Liability	97,834	151,838
Total Noncurrent Liabilities	2,299,728	2,781,891
TOTAL LIABILITIES	3,307,598	3,982,683
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources Related to Pensions	25,497	10,643
Deferred Inflows of Resources Related to OPEB	67,339	96,726
TOTAL DEFERRED INFLOWS OF RESOURCES	92,836	107,369
NET POSITION		
Net Investment in Capital Assets	19,673,476	18,087,319
Restricted for Emergency Reserve	275,000	255,000
Unrestricted	14,930,845	12,570,947
TOTAL NET POSITION	$ 34,879,321	$ 30,913,266

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

FREMONT SANITATION DISTRICT

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
Years Ended December 31, 2025 and 2024

	BUSINESS-TYPE ACTIVITIES	
	2025	2024
OPERATING REVENUES		
Charges for Services	$ 8,036,158	$ 7,507,336
Miscellaneous	41,106	48,927
TOTAL OPERATING REVENUES	8,077,264	7,556,263
OPERATING EXPENSES		
Waste Collection	711,103	671,634
Waste Transmission	710,581	715,370
Wastewater Treatment, Pretreatment and Laboratory	1,294,398	1,244,605
Solids Processing	114,693	94,505
Engineering	457,713	360,075
Administration		
Buildings and Grounds		
Plant	418,114	398,980
Service Center	143,823	165,004
Finance	777,835	824,227
Information Technology	354,184	349,655
Management and General	234,347	232,655
Depreciation	906,910	761,439
TOTAL OPERATING EXPENSES	6,123,701	5,818,149
OPERATING INCOME (LOSS)	1,953,563	1,738,114
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	602,156	549,615
Interest Expense	(21,577)	(22,437)
PERA Pension Income Adjustment	-	707,573
Gain (Loss) on Disposal	65,051	8,510
TOTAL NON-OPERATING REVENUES (EXPENSES)	645,630	1,243,261
INCOME BEFORE CAPITAL CONTRIBUTIONS	2,599,193	2,981,375
CAPITAL CONTRIBUTIONS		
Capital Grants	25,000	-
Contributed Lines and Mains - Developer	956,862	-
System Development Fees	385,000	335,250
TOTAL CAPITAL CONTRIBUTIONS	1,366,862	335,250
CHANGE IN NET POSITION	3,966,055	3,316,625
NET POSITION, Beginning	30,913,266	27,596,641
NET POSITION, Ending	$ 34,879,321	$ 30,913,266

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

FREMONT SANITATION DISTRICT

STATEMENTS OF CASH FLOWS

Increase (Decrease) in Cash and Cash Equivalents
Years Ended December 31, 2025 and 2024

	BUSINESS-TYPE ACTIVITIES	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 7,982,618	$ 7,562,227
Miscellaneous Receipts	41,106	48,927
Cash Payments to Employees	(3,712,020)	(3,452,652)
Cash Payments to Suppliers	(1,712,486)	(1,703,179)
Net Cash Provided by Operating Activities	2,599,218	2,455,323
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(1,493,307)	(1,141,906)
Cash Received from Disposal of Capital Assets	65,051	8,510
Principal Paid	(40,000)	(40,000)
Interest and Fiscal Charges Paid	(24,475)	(25,335)
Cash Received from Capital Grants	25,000	-
System Development Fees Received	385,000	335,250
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,082,731)	(863,481)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investment Activity	(2,178,084)	(1,446,963)
Interest Received	602,156	549,615
Net Cash Provided (Used) by Investing Activities	(1,575,928)	(897,348)
Increase (Decrease) in Cash and Cash Equivalents	(59,441)	694,494
CASH AND CASH EQUIVALENTS, Beginning	1,617,971	923,477
CASH AND CASH EQUIVALENTS, Ending	$ 1,558,530	$ 1,617,971
SUMMARY OF CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents	$ 1,190,076	$ 1,296,307
Restricted Cash and Cash Equivalents	368,454	321,664
Total Cash and Cash Equivalents	$ 1,558,530	$ 1,617,971
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 1,953,563	$ 1,738,114
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	906,910	761,439
Net Change in Deferred Outflows and Inflows Related to Pensions and OPEB	(26,564)	9,543
Changes in Assets and Liabilities		
Accounts Receivable	(79,413)	30,662
Prepaid Insurance	(2,300)	(1,558)
Inventory	39,944	56,758
Accounts Payable	(225,913)	(239,069)
Accrued Salaries and Benefits	14,966	29,750
Deferred Revenues - Customer Service Charges	25,873	24,229
Compensated Absences Payable	(7,848)	45,455
Net Cash Provided by Operating Activities	$ 2,599,218	$ 2,455,323
NON-CASH CAPITAL ACTIVITIES		
Contributed Lines and Mains - Developer	$ 956,862	$ -

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fremont Sanitation District (the "District"), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Fremont County, Colorado. The District was established to provide sewer services to the District residents. The District is governed by an elected seven-member Board of Directors.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the District does not include additional organizations in its reporting entity.

Fund Accounting

The District uses a fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District uses a proprietary fund-type, an enterprise fund, to account for its activities of providing sewer collection, transmission and treatment services to District residents. The enterprise fund uses the economic resources measurement focus and the accrual basis of accounting for reporting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

The activities of the fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. The fund distinguishes operating revenues and expenses from non-operating revenues and expenses, and capital contributions. Operating revenues and

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

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

Assets, Liabilities and Net Position

Cash Equivalents and Investments - Cash equivalents include cash deposits and highly liquid investments with original maturities of three months or less when purchased. Certificate of deposits with original maturities greater than three months when purchased are reported as investments. Investments are reported at fair value or the net asset value method.

Receivables - All receivables are reported at their gross value. An allowance for uncollectible accounts is not reported because the uncollectible amounts were determined to be immaterial by management.

Inventory – Inventory is valued at cost using the first-in, first-out method. The cost of inventory is record as expense when consumed rather than when purchased.

Capital Assets - Capital assets, which include land, rights of way, water rights, sewer transmission system, treatment plant, buildings and equipment are reported in the financial statements net of accumulated depreciation. 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 recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. All infrastructure assets owned by the District, which include sewer collection and transmission systems, have been capitalized.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Buildings, Transmission System and Treatment Plant	20 - 50 years
Improvements	10 - 25 years
Equipment	3 - 30 years

Unearned Revenue – Service Charges – Unearned revenues arise when resources are received by the District before it has a legal claim to them. Certain District billing cycles, which include billings for services to be provided in January, February and March of the following year, are reported as deferred revenue in the financial statements.

Compensated Absences - Employees of the District are allowed to accumulate unused vacation time and sick leave. Employees will be paid for all accrued vacation time upon separation of employment subject to restrictions set forth in the District's policy manual. Employees in good standing after 10 years of service will be paid for unused sick leave up to a maximum of 360 hours at 50% of the current pay rate. In addition, the District records an estimated sick leave liability for employees with less than 10 years of service. These compensated absences are recognized as current salary costs when earned. Management has determined that the accrued compensated absences balances are due within one year. A current liability is reported in the financial statements for the accrued compensated absences.

Long-Term Obligations – Long-term debt and other long-term obligations are reported at face value, net of unamortized debt premiums and discounts, as liabilities in the financial statements. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

Deferred Outflows/Inflows of Resources
In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense) until then. The District has items related to pensions and Other Postemployment Benefits (OPEB) that are reported as deferred outflows of resources at December 31, 2025.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

resources (revenue) until then. The District has an item related to pensions and OPEB that is reported as deferred inflows of resources at December 31, 2025.

Net Position – Net position results from the accumulation of net earnings from operating income, non-operating revenues and expenses, and capital contributions and are classified in the financial statements as follows:

- Net Investment in Capital Assets – The net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the long-term debt issued to acquire, construct, or improve the related capital assets. The long-term debt attributable to the unspent long-term debt proceeds at the end of the year is excluded from the calculation. Instead, it is included in the same net position component as the unspent proceeds.

- 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.

- Unrestricted – This classification includes the residual net position that does not meet the classification of "net investment in capital assets" or "restricted."

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF 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.

OPEB

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

OPEB (Continued)

to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

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

Subsequent Events

The District has evaluated events subsequent to the year ended December 31, 2025 through April 6, 2026, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

Concentration of Customer Risk

The District receives approximately 27% of its sewer service revenues from two customers, Colorado Department of Corrections and Federal Correction Center. The loss of this revenue, if it were to occur, could significantly affect the District's operations. District management does not expect the relationship with the two customers to change in the near future.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- In October, management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1.
- The operating budget includes proposed expenditures and the means of financing them.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within the fund. However, any revisions that alter the total expenditures of the fund must be approved by the Board of Directors.
- The budget is legally adopted by the District. The budget is adopted on a non-GAAP budgetary basis. Capital outlay and long-term debt principal payments are budgeted as expenditures, and depreciation, and amortization of debt issue costs are not budgeted. Deferred revenues are reported as revenue for budgetary presentation.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2025, follows:

Petty Cash	$ 500
Cash Deposits	9,868,359
Investments	6,327,650
Total	$16,196,509

Cash and Investments are reported in the financial statements as follows:

Cash and Cash Equivalents	$ 1,190,076
Investments	4,648,305
Restricted Cash and Cash Equivalents	368,454
Restricted Investments	9,989,674
Total	$16,196,509

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to $250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits

market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the District had deposits totaling $9,831,438 of which $3,202,629 were FDIC insured and $6,628,809 were collateralized with securities held by the financial institutions' agents but not in their name.

Investments

The District has not adopted a formal investment policy; however, the District follows State statutes regarding investments. The District generally limits is concentration of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less, unless formally approved by the Board of Directors. such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest which include the following:

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

At December 31, 2025 the District had the following investments:

	Maturity	2025
Colorado Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 days	$ 3,874,412
COLOTRUST-EDGE	Weighted Average beyond 60 days	2,316,723
Total		$ 6,327,650

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments

The District invested in the Colorado Government Liquid Asset Trust (COLOTRUST) (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable, Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. As of December 31, 2025, COLOTRUST EDGE possessed a weighted average maturity of 132 days and a weighted average life of 209 days.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard and Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

Restricted cash and investments consist of amounts for operating and maintenance reserves, future system improvements and debt service reserves as required by the District's capital replacement policies, loans and revenue bonds.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2025, is summarized below:

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Capital Assets, not being depreciated				
Land, Rights of Way and Water Rights	$ 1,050,944	$ -	$ -	$ 1,050,944
Construction in Progress	3,536,788	-	3,536,788	-
Total Capital Assets, not being depreciated	4,587,732	-	3,536,788	1,050,944
Capital Assets, being depreciated				
Transmission System	28,187,192	1,672,977	-	29,860,169
Treatment Plant	14,201,741	3,424,761	-	17,626,502
Buildings and Improvements	5,457,730	73,049	-	5,530,779
Transportation Equipment	648,793	91,142	20,640	719,295
Equipment	2,256,153	725,028	101,021	2,880,160
Total Capital Assets, being depreciated	50,751,609	5,986,957	121,661	56,616,905
Less accumulated depreciation				
Transmission System	(17,539,499)	(507,621)	(101,021)	(17,946,099)
Treatment Plant	(13,905,785)	(184,058)	-	(14,089,843)
Buildings and Improvements	(3,836,528)	(115,003)	-	(3,951,531)
Transportation Equipment	(593,417)	(68,697)	(20,640)	(641,474)
Equipment	(671,004)	(31,531)	-	(702,535)
Total accumulated depreciation	(36,546,233)	(906,910)	(121,661)	(37,331,482)
Total Capital Assets, being depreciated, net	14,205,376	5,080,047	-	19,285,423
Total Capital Assets, net	$ 18,793,108	$ 5,080,047	$ 3,536,788	$ 20,336,367

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Refunding Revenue Bonds, Series 2020A	$ 350,000	$ -	$ 25,000	$ 325,000	$ 25,000
Refunding Revenue Bonds, Series 2020B	315,000	-	15,000	300,000	15,000
Bond Premium	40,789	-	2,898	37,891	-
	705,789	-	42,898	662,891	40,000
Compensated Absences Payable	218,524	-	7,848	210,676	210,676
Total	$ 924,313	$ -	$ 50,746	$ 873,567	$ 250,676

NOTE 5: LONG-TERM DEBT (Continued)

On January 7, 2020, the District refunded the Series 1999A Wastewater Enterprise Revenue Bonds with the issuance of $465,000 Series 2020A Wastewater Revenue Refunding Bonds. The bond proceeds were used to refund and pay-off the 1999A Wastewater Enterprise Revenue Bonds and establish the debt service reserve. This refunding resulted in a net present value savings of interest in the amount of $107,477. Principal payments are due annually on June 1, and interest payments are due semi-annually on June 1 and December 1, through June 1 2036. Interest accrues between 2.25% and 4.00%.

On January 7, 2020, the District refunded the Series 2003A Wastewater Enterprise Revenue Bonds with the issuance of $385,000 Series 2020B Wastewater Revenue Refunding Bonds. The bonds proceeds were used to refund and pay-off the 2003A Wastewater Enterprise Revenue Bonds and establish the debt service reserve. This refunding resulted in a net present value savings of interest in the amount of $61,044. Principal payments are due annually on June 1, and interest payments are due semi-annually on June 1 and December 1, through June 1 2041. Interest accrues between 2.25% and 4.00%.

Pledged Revenues - These revenue bonds are payable solely from revenues of the District's sewer system after deducting operating and maintenance costs, excluding depreciation. During the year ended December 31, 2025, net revenues of $2,835,263 were available to pay the annual debt service of $64,475.

Restricted Covenants – The Wastewater Enterprise Revenue Bonds' covenants require the District to maintain cash reserves for the related current and future debt service. The District had restricted cash of $81,665 at December 31, 2025 to satisfy this requirement.

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NOTE 5: LONG-TERM DEBT (Continued)

Annual debt service requirements for the outstanding loans and revenue bonds at December 31, 2025 are as follows:

Year Ended December 31	Principal	Interest	Total
2026	$ 40,000	$ 23,150	$ 63,150
2027	40,000	17,250	57,250
2028	40,000	21,000	61,000
2029	40,000	19,400	59,400
2030	45,000	17,700	62,700
2031 - 2035	250,000	60,200	310,200
2036 - 2040	145,000	17,300	162,300
2041	25,000	500	25,500
	$ 625,000	$ 176,500	$ 801,500

NOTE 6: RETIREMENT COMMITMENTS

Multiple-Employer Defined Benefit Pension Plan

Plan Description. Eligible employees of the District are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA". Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

NOTE 6: RETIREMENT COMMITMENTS (Continued)

- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit are generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of the 1.00% AI cap or the average CPI for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For Safety Officers whose disability is cause by an on-the-job injury, the fire-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Contribution provisions as of December 31, 2025. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Employee contribution rates for the periods January 1, 2024 through December 31, 2025 are summarized in the table below:

	January 1, 2024 through December 31, 2024	January 1, 2025 through December 31, 2025
Employee Contribution Rate	9.00%	9.00%
Safety Officers	13.00%	13.00%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined by C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees other than Safety Officers are summarized in the table below:

	January 1, 2024 through December 31, 2024	January 1, 2025 through December 31, 2025
Employer Contribution Rate	11.00%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount Apportioned to the SCHDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-1411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-1411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. 24-51-415	0.06%	0.08%
Total Employer Contribution Rate to the LGDTF	13.74%	13.76%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined by C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $339,791 for the year ended December 31, 2025.

NOTE 6: RETIREMENT COMMITMENTS (Continued)

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

The net pension liability was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of December 31, 2022. Standard updated procedures were used to roll forward the TPL to December 31, 2024. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

At December 31, 2025 the District reported a liability of $1,579,003 for its proportionate share of the net pension liability.

At December 31, 2024, the District's proportion was 0.257335%, which was a decrease of 0.010261% from its proportion measured as of December 31, 2023. For the year ended December 31, 2025, the District recognized pension expense of $50,601. 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	$ 61,589	$ -
Net difference between projected and actual earnings on pension plan investments	118,872	-
Changes of assumptions and other inputs	24,088	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(25,497)
Contributions subsequent to the measurement date	356,413	-
Total	$ 560,962	$ (25,497)

$356,413 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2026	$ 84,293
2027	35,323
2028	29,718
2029	29,718

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation:	2.30%
Real wage growth:	0.70%
Wage inflation:	3.00%
Salary increases, including wage inflation:	
Members other than Safety Officers	3.20% – 11.30%
Safety Officers	3.20% – 12.40%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation:	7.25%
Discount rate:	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07:	1.00% compounded annually
PERA Benefit Structure hired after 12/31/06(1):	Financed by the AIR

(1)Post Retirement benefit increases are provided by AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

As of the December 31, 2024 measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males:** 94% of the rates prior to age 80/90% of the rates age 80 and older **Females:** 87% of the rates prior to age 80/107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Post-Retirement(Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males:** 97% of the rates for all ages **Females:** 105% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 28,2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025 for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were affective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases including wage inflation:	
Members other than Safety Officers	3.40% - 13.00%
Safety Officers	3.20% - 16.30%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males:** 90% of the rates for all ages **Females:** 85% of the rates prior to age 85/105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A

Post-Retirement(Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males:** 92% of the rates for all ages **Females:** 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, and again at the Board’s September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

NOTE: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount Rate. The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions as shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

NOTE 6: RETIREMENT COMMITMENTS (Continued)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

Based on the above assumptions and methods, LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of Net Pension Liability	$ 3,456,122	$ 1,579,003	$ 2,010

Pension Plan Fiduciary Net Position Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan

Voluntary Investment Program – PERAPlus 401(k) Plan

Plan Description. Employees of the District who are members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14, of the CRS, as amended, assigns the authority to establish the Plan provision to the PERA Board of Trustees. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy. The PERAPlus 401(k) Plan is funded by voluntary contributions up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1402, of the CRS, as amended. The District does not make contributions to the 401(k) Plan. For the year ended December 31, 2025, program members contributed $60,694.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description. Employees of the District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16, of the CRS, as amended, assigns the authority to establish the Plan provision to the PERA Board of Trustees. PERA issue a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy. The PERAPlus 457 Plan is funded by voluntary contributions up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1603, of the CRS, as amended. The District does not make contributions to the PERAPlus 457 Plan. For the year ended December 31, 2025, program members contributed $43,897.

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Plan Description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in one or more of the four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated to the. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure. The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF pays an alternative service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $25,188 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31 2025, the District reported a liability of $97,834 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.020460%, which was a decrease of 0.000814% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2024, the District recognized OPEB expense/(income) of ($77,166). At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (18,305)
Net difference between projected and actual earnings on pension plan investments	264	-
Changes of assumptions or other inputs	952	(26,528)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,655	(22,506)
Contributions subsequent to the measurement date	26,366	-
Total	$ 32,237	$ (67,339)

$25,188 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2026	$ (9,333)
2027	(11,490)
2028	(12,454)
2029	(12,292)
2030	(10,609)
2031	(5,290)

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NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age			
Price inflation	2.30%			
Real wage growth	0.70%			
Wage inflation	3.00%			
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%			
Discount rate	7.25%			
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034			
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034			
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033			
DPS benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	N/A			
Medicare Part A premiums	N/A			

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023 valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 1,710	$ 1,420	$ 585	$ 486	$ 1,897	$ 1,575
70	$ 1,921	$ 1,589	$ 657	$ 544	$ 2,130	$ 1,763
75	$ 2,122	$ 1,670	$ 726	$ 571	$ 2,353	$ 1,853

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 6,536	$ 5,429	$ 4,241	$ 3,523	$ 7,063	$ 5,866
70	$ 7,341	$ 6,073	$ 4,764	$ 3,941	$ 7,933	$ 6,563
75	$ 8,110	$ 6,385	$ 5,262	$ 4,143	$ 8,763	$ 6,900

The 2024 Medicare Part A Premium is $505 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the following table:

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Year	PERACare Medicare Plans(1)	MAPD PPO #2	Medicare Part A Premium
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.00%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

(1) Increase in 2024 trend rates due to the effect of the Inflation Reduction Act

Mortality assumptions used in the December 31, 2023 valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males:** 94% of the rates prior to age 80/90% of the rates age 80 and older **Females:** 87% of the rates prior to age 80/107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males:** 112% of the rates prior to age 80/94% of the rates age 80 and older **Females:** 83% of the rates prior to age 80/106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement(Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males:** 97% of the rates for all ages **Females:** 105% of the rates for all ages

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2024 plan year.
- The health care cost treen rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023 valuations were based on the 2020 experience analysis, dated October 28,2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$ 1,824	$ 6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males:** 90% of the rates prior to age 85/105% of the rates age 85 and older **Females:** 85% of the rates prior to age 85/105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males:** 106% for all ages **Females:** 86% of the rates prior to age 85/115% of the rates age 8 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement(Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males:** 92% of the rates for all ages **Females:** 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, and, again at the Boards September 20, 2024 meeting. As of the most recent

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

NOTE: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
Initial PERACare Medicare trend rate (1)	5.75%	6.75%	7.75%
Ultimate PERA Care Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate (1)	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate (1)	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 95,198	$ 97,834	$ 100,817

(1) - For the January 1, 2025 plan year.

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of Net OPEB Liability	$ 119,897	$ 97,834	$ 78,813

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 8: RISK MANAGEMENT

Public Entity Risk Pool

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets. The District plans to provide for or restore the economic damages of those losses through risk transfer. The District participates in the Colorado Special Districts Property and Liability Pool and Worker's Compensation Pool (the "Pool").

The purposes of the Pool are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs.

All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District has made certain interpretations of the Amendment's language in order to determine compliance.

The District's management believes a significant portion of its operations qualifies for the "enterprise" exclusion allowed by the Amendment. The District believes it is in compliance with the requirements of the Amendment.

The District has established an emergency reserve, representing 3% of fiscal year spending, as required by the Amendment. At December 31, 2025, the emergency reserve of $275,000, was reported as a restriction of net position in the statement of net position.

REQUIRED SUPPLEMENTARY INFORMATION

FREMONT SANITATION DISTRICT

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA Local Government Division Trust Fund Pension Plan
Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.25734%	0.26760%	0.28610%	0.30006%	0.29894%	0.28374%	0.28408%	0.28190%	0.29288%	0.30050%
Proportionate Share of the Net Pension Liability(Asset)	$ 1,579,003	$ 1,964,264	$ 2,868,346	$ (257,261)	$ 1,557,883	$ 2,075,263	$ 3,571,546	$ 3,138,725	$ 3,954,880	$ 3,310,276
Total Covered Payroll	$ 2,584,894	$ 2,350,883	$ 2,342,643	$ 2,232,697	$ 2,110,321	$ 1,953,983	$ 1,860,505	$ 1,775,223	$ 1,709,483	$ 1,706,616
Proportionate Share of Net Pension Liability as a Percentage of its Covered Employee Payroll	61.09%	83.55%	122.44%	-11.52%	73.82%	106.21%	191.97%	176.81%	231.35%	193.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.45%	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.65%	76.87%
Total Pension Liability	$ 6,426,530,000	$ 6,131,113,000	$ 5,895,159,000	$ 5,758,380,000	$ 5,715,765,000	$ 5,324,353,000	$ 5,228,602,000	$ 5,396,516,000	$ 5,123,847,000	$ 4,762,090,000
Plan Fiduciary Net Position	5,812,932,000	5,397,072,000	4,892,596,000	5,844,117,000	5,194,638,000	4,592,962,000	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000
Net Pension Liability(Asset)	$ 613,598,000	$ 734,041,000	$ 1,002,563,000	$ (85,737,000)	$ 521,127,000	$ 731,391,000	$ 1,257,213,000	$ 1,113,430,000	$ 1,350,341,000	$ 1,101,581,000

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

See the accompanying Independent Auditor's Report.

FREMONT SANITATION DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS
PERA Pension Plan
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 339,791	$ 323,012	$ 315,300	$ 294,716	$ 272,884	$ 247,765	$ 236,265	$ 235,912	$ 225,098	$ 216,763
Contributions in Relation to the Contractually Required Contribution	339,791	323,012	315,300	294,716	272,884	247,765	236,265	235,912	225,098	216,763
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Covered Payroll	$ 2,469,401	$ 2,350,883	$ 2,342,643	$ 2,232,697	$ 2,110,321	$ 1,953,983	$ 1,863,290	$ 1,860,505	$ 1,775,223	$ 1,709,483
Contributions as a Percentage of Total Covered Payroll	13.76%	13.74%	13.46%	13.20%	12.93%	12.68%	12.68%	12.68%	12.68%	12.68%

See the accompanying Independent Auditor's Report.

Fremont Sanitation District

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT BENEFIT LIABILITY
PERA HCTF OPEB Plan
Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability (Asset)	0.020460%	0.021274%	0.023086%	0.023326%	0.022821%	0.021731%	0.022031%	0.021905%	0.022483%
Proportionate Share of the Net OPEB Liability (Asset)	$ 97,834	$ 151,838	$ 188,489	$ 201,139	$ 216,847	$ 244,259	$ 299,738	$ 284,674	$ 291,494
Total Covered Payroll	$ 2,469,401	$ 2,350,883	$ 2,342,643	$ 2,232,697	$ 2,110,321	$ 1,953,983	$ 1,863,290	$ 1,858,345	$ 1,778,326
Proportionate Share of Net OPEB Liability as a Percentage of its Covered Employee Payroll	3.96%	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	15.32%	16.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	59.83%	46.16%	38.57%	39.40%	32.78%	17.03%	17.03%	17.53%	16.72%
Total OPEB Liability	$ 1,190,476,000	$ 1,325,637,000	$ 1,329,183,000	$ 1,423,054,000	$ 1,413,526,000	$ 1,639,734,000	$ 1,639,734,000	$ 1,575,822,000	$ 1,556,762,000
Plan Fiduciary Net Position	712,309,000	611,911,000	512,704,000	560,749,000	463,301,000	279,192,000	279,192,000	276,222,000	260,228,000
Net OPEB Liability	478,167,000	713,726,000	816,479,000	862,305,000	950,225,000	1,360,542,000	1,360,542,000	1,299,600,000	1,296,534,000

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

NOTE: Information for the prior year was not available to report.

See the accompanying Independent Auditors' Report.

Fremont Sanitation District

SCHEDULE OF OPEB CONTRIBUTIONS
PERA HCTF OPEB Plan
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	23,979	23,895	22,750	21,525	19,931	19,006	18,955	18,139
Contributions in Relation to the Contractually Required Contribution	23,979	23,895	22,750	21,525	19,931	19,006	18,955	18,139
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Covered Payroll	2,350,883	2,342,643	2,232,697	2,110,321	1,953,983	1,863,290	1,858,345	1,778,326
Contributions as a Percentage of Total Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: Information for the prior two years was not available to report.

See the accompanying Independent Auditors' Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 1: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provision Since 2023 – PERA Pension and PERA OPEB:

As of December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division and for HCTF reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020, respectively.

NOTE 1: SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Assumptions and Other Inputs Since 2023 – Local Government Division Trust Fund and HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Local Government Division Trust Fund only:

- The Pub-2010 Public Retirement Plan Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

HCTF only:

- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs were no longer age graded.

SUPPLEMENTARY INFORMATION

FREMONT SANITATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - (Non-GAAP BASIS)
WITH RECONCILIATION TO GAAP BASIS
Year Ended December 31, 2025
(With Comparative Actual Totals for the Year Ended December 31, 2024)

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Operating				
Sewer Service Charges	$ 7,784,580	$ 8,062,031	$ 277,451	$ 7,531,565
Miscellaneous	33,100	41,106	8,006	48,927
Non-Operating				
Capital Grants	456,500	25,000	(431,500)	-
Investment Income	546,827	602,156	55,329	549,615
System Development Fees	225,000	385,000	160,000	335,250
PERA Pension Income Adjustment	-	-	-	707,573
Health Reinsurance Pool Reimbursement	-	-	-	-
Reserves	149,000	-	(149,000)	-
TOTAL REVENUES	9,195,007	9,115,293	(79,714)	9,172,930
EXPENDITURES				
Plant Operations				
Construction				
Personnel Services	598,211	593,444	4,767	559,554
Operating Expenses	117,351	117,659	(308)	112,080
Capital Outlay	587,500	-	587,500	478,831
Total Construction	1,303,062	711,103	591,959	1,150,465
Transmission				
Personnel Services	662,082	643,058	19,024	677,317
Operating Expenses	64,295	67,523	(3,228)	38,053
Capital Outlay	600,000	1,279,388	(679,388)	-
Total Transmission	1,326,377	1,989,969	(663,592)	715,370
Treatment Plant				
Personnel Services	892,124	855,384	36,740	830,254
Operating Expenses	472,726	130,581	342,145	111,324
Capital Outlay	1,831,000	1,097,920	733,080	577,016
Total Treatment Plant	3,195,850	2,083,885	1,111,965	1,518,594
Solids Processing				
Operating Expenses	19,431	114,693	(95,262)	94,505
Capital Outlay	22,500	-	22,500	64,785
Total Solids Processing	41,931	114,693	(72,762)	159,290
Laboratory				
Personnel Services	117,849	118,198	(349)	122,869
Operating Expenses	-	37,722	(37,722)	27,995
Capital Outlay	13,500	-	13,500	-
Total Laboratory	131,349	155,920	(24,571)	150,864
Pretreatment				
Personnel Services	-	124,285	(124,285)	116,640
Operating Expenses	-	28,228	(28,228)	35,523
Capital Outlay	-	-	-	-
Total Pretreatment	$ -	$ 152,513	$ (152,513)	$ 152,163

(Continued)

See the accompanying Independent Auditor's Report.

FREMONT SANITATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - (Non-GAAP BASIS)
WITH RECONCILIATION TO GAAP BASIS
Year Ended December 31, 2025
(With Comparative Actual Totals for the Year Ended December 31, 2024)

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
EXPENDITURES (Continued)				
Plant Operations (Continued)				
Engineering				
Personnel Services	$ 493,789	$ 449,943	$ 43,846	$ 356,038
Operating Expenses	23,249	7,770	15,479	4,037
Capital Outlay	65,000	-	65,000	-
Total Engineering	582,038	457,713	124,325	360,075
Total Plant Operations	6,580,607	5,665,796	914,811	4,206,821
Administration				
Buildings and Grounds - Plant				
Operating Expenses	494,333	418,114	76,219	398,980
Capital Outlay	331,300	73,049	258,251	14,704
Total Building and Grounds - Plant	825,633	491,163	334,470	413,684
Buildings and Grounds - Service Center				
Personnel Services	80,390	82,931	(2,541)	80,942
Operating Expenses	78,722	60,892	17,830	84,062
Capital Outlay	-	-	-	6,570
Total Buildings and Grounds - Service Center	159,112	143,823	15,289	171,574
Board Services				
Personnel Services	12,834	9,215	3,619	9,077
Operating Expenses	18,611	6,887	11,724	4,873
Total Board Services	31,445	16,102	15,343	13,950
Finance				
Personnel Services	444,734	458,402	(13,668)	429,684
Operating Expenses	348,979	319,433	29,546	394,543
Total Finance	793,713	777,835	15,878	824,227
District Management				
Personnel Services	206,089	199,890	6,199	204,097
Operating Expenses	23,480	18,355	5,125	14,608
Total District Management	229,569	218,245	11,324	218,705
Information Technology				
Personnel Services	155,074	157,824	(2,750)	150,928
Operating Expenses	229,888	196,360	33,528	198,727
Capital Outlay	14,000	-	14,000	-
Total Information Technology	398,962	354,184	44,778	349,655
Total Administration	2,438,434	2,001,352	437,082	1,991,795

(Continued)

See the accompanying Independent Auditor's Report.

FREMONT SANITATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - (Non-GAAP BASIS)
WITH RECONCILIATION TO GAAP BASIS
Year Ended December 31, 2025
(With Comparative Actual Totals for the Year Ended December 31, 2024)

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
Debt Service				
Principal Payments	$ 40,000	$ 40,000	$ -	$ 40,000
Interest and Fiscal Charges	24,097	24,475	(378)	25,335
Total Debt Service	64,097	64,475	(378)	65,335
Capital Reserves				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	9,083,138	7,731,623	1,351,515	6,263,951
CHANGE IN NET POSITION, Budgetary Basis	$ 111,869	1,383,670	$ 1,271,801	2,908,979
ADJUSTMENTS TO GAAP BASIS				
Unearned Revenue:				
Sewer Service Charges - Prior Year		519,583		495,354
Sewer Service Charges - Current Year		(545,456)		(519,583)
Capital Outlay		2,450,357		1,141,906
Depreciation		(906,910)		(761,439)
Bond Premium Amortization		2,898		2,898
Principal Payments on Long-term Debt		40,000		40,000
Contributed Lines and Mains - Developer		956,862		-
Gain (Loss) on Disposal of Capital Assets		65,051		8,510
CHANGE IN NET POSITION, GAAP Basis		3,966,055		3,316,625
NET POSITION, Beginning		30,913,266		27,596,641
NET POSITION, Ending		$ 34,879,321		$ 30,913,266

See the accompanying Independent Auditor's Report.