CLEAR CREEK FIRE AUTHORITY

FINANCIAL STATEMENTS
DECEMBER 31, 2025

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Clear Creek Fire Authority
Dumont, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

Auditors' 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 auditors' report that includes our opinions.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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, budgetary comparison schedule, and GASB required pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

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

The Adams Group, LLC

Greenwood Village, Colorado
September 21, 2026

MANAGEMENT'S DISCUSSION & ANALYSIS

CLEAR CREEK FIRE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

Within this section of the Clear Creek Fire Authority's (Authority) financial report, the Authority's management provides narrative discussion and analysis of the financial activities of the Authority for the year ended December 31, 2025. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Authority's primary government.

FINANCIAL HIGHLIGHTS

Governmental Activities:

- The Authority's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources by $8,523,206 (net position) for the year reported. This compared to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $9,768,275.

- Total net position is comprised of the following:

    - Net investment in capital assets of $4,553,917 includes property and equipment, net of accumulated depreciation.
    - Restricted net position of $56,650 related to emergency restrictions (TABOR) and $226,392 related to the Authority's net pension asset.
    - Unrestricted net position of $3,686,247 represents the portion available to maintain the Authority's continuing obligations to citizens and creditors.

- Total revenue increased by $88,253 compared to the year ended December 31, 2024 due to an increase in operating and capital grants received in 2025.

- Total expenses increased $611,878 compared to the year ended December 31, 2024 which is a result of an increase in salaries, wages, and related benefits in 2025.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the Authority's basic financial statements. The Authority's basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, (3) notes to basic financial statements and (4) required supplementary information. The Authority also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Authority's financial report includes two government-wide financial statements.

These statements provide both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting. The first of these government-wide statements is the Statement of Net Position.

This is the government wide statement of financial position presenting information that includes all of the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position.

Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall economic health of the Authority would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the Authority's capital assets in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Authority's net position has changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Authority's distinct activities or functions on revenues provided by intergovernmental contributions.

Both government-wide financial statements distinctively report governmental activities of the Authority that are principally supported by intergovernmental contributions. Governmental activities include general government, fire suppression, fire prevention and training, communications, and vehicles & equipment operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the Authority are presented as a special purpose government engaged in (1) governmental type funds- providing fire protection services to Authority residents.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government wide financial statements. However, the focus is very different with fund statements providing a distinct view of the Authority's governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions.

The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to the government-wide statements to assist in understanding the difference between these two perspectives.

A budgetary comparison schedule is included in the required supplementary information for the general fund. This schedule demonstrates compliance with the Authority's budget for the year ended December 31, 2025.

Notes to Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information which includes the budgetary schedule for the general fund and required pension schedules.

Financial Position

The following table provides a summary of the Authority's net position at December 31:

Condensed Statement of Net Position

	2025	2024
Current Assets	$ 3,593,444	$ 4,287,837
Non-Current Assets	4,780,309	5,219,094
Total Assets	8,373,753	9,506,931
Deferred Outflows of Resources	489,218	502,169
Current Liabilities	103,526	76,141
Non-Current Liabilities	86,288	72,873
Total Liabilities	189,814	149,014
Deferred Inflows of Resources	149,951	91,811
Net Position		
Net Investment in Capital Assets	4,553,917	4,913,205
Restricted	283,042	361,339
Unrestricted	3,686,247	4,493,731
Total Net Position	$ 8,523,206	$ 9,768,275

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $8,523,206 for year ended December 31, 2025.

The largest portion of the Authority's net position (other than unrestricted) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending.

As of December 31, 2025, the Authority had no outstanding debt and therefore, the net investment in capital asset balance reflects the total costs of capital assets.

Results of Operations

The following table shows the changes in the Authority's net position during the year.

Condensed Statement of Activities

	2025	2024
PROGRAM REVENUES		
Charges for Services	$ 178,312	$ 356,706
Operating Grants and Contributions	1,426,525	1,291,953
Capital Grants and Contributions	154,660	55,271
Total Program Revenues	1,759,497	1,703,930
GENERAL REVENUES		
Investment Earnings	152,823	250,426
Other Revenues	149,516	19,227
Total General Revenues	302,339	269,653
Total Revenues	2,061,836	1,973,583
PROGRAM EXPENSES		
Public Safety	3,306,905	2,695,027
Change in net position	(1,245,069)	(721,444)
Net position, beginning	9,768,275	10,489,719
Net position, ending	$ 8,523,206	$ 9,768,275

Overall revenue increased for the year ending December 31, 2025 by $88,253 compared to the prior year. This increase was mainly driven by an increase in operating and capital grants and contributions received in 2025 compared to 2024.

Overall expenses increased $611,878 for the year ended December 31, 2025 compared to the prior year. The increase was a result of increases in wages and benefits during 2025 when compared to the prior year and pension expense due to the Authority's involvement in Colorado FPPA.

Capital Assets

The Authority's investment in capital assets at December 31, 2025 amounts to $4,553,917 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment, and furnishings. An analysis of changes in capital assets is as follows:

	December 31, 2024	Additions	Deletions	December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 15,075	$ -	$ -	$ 15,075
Construction in progress	217,160	-	217,160	-
Total capital assets, not depreciated	232,235	-	217,160	15,075
Capital Assets, Being Depreciated				
Buildings and improvements	3,996,841	287,811	-	4,284,652
Equipment	1,432,305	-	-	1,432,305
Vehicles and accessories	5,215,060	91,546	310,608	4,995,998
Total capital assets, depreciated	10,644,206	379,357	310,608	10,712,955
Accumulated depreciation				
Buildings and improvements	(1,243,494)	(112,381)	-	(1,355,875)
Equipment	(1,234,336)	(41,707)	-	(1,276,043)
Vehicles and accessories	(3,485,406)	(243,153)	(186,364)	(3,542,195)
Total accumulated depreciation	(5,963,236)	(397,241)	(186,364)	(6,174,113)
Net capital assets, depreciated	4,680,970	(17,884)	124,244	4,538,842
Net capital assets	$ 4,913,205	$ (17,884)	$ 341,404	$ 4,553,917

During the year ending December 31, 2025, the Authority's capital asset additions were the result of the completion of capital construction and vehicle purchases. Deletions were a result of vehicles sales during 2025.

Additional information on the Authority's capital assets can be found in Note 4 of this report.

Budgetary Highlights

The Authority's annual budget is prepared according to Colorado state budget law, and it is based on accounting for certain transactions on a basis of cash receipts and disbursements.

The total actual revenue of the Authority was more than budget by $217,505. The total budgeted expenditures of the Authority were less than actual expenditures by $73,319 which may be a violation of Colorado Budget Law.

Additional information on the Authority's detailed Budget for the General fund can be found on page 43 of this report.

Economic Factors and Next Year's Budget

Clear Creek Fire Authority is comprised of seven Volunteer Fire Departments serving the greater portion of Clear Creek County. The Authority is created through an Intergovernmental Agreement (IGA) with the Town of Georgetown, Town of Empire, Town of Silver Plume, City of Idaho Springs, and the Clear Creek County Emergency Services General Improvement District (ESD).

- Under the IGA, participants proportionally fund the Authority's annual budget based on revenues received from CCCES's 4.569 mill levy, net of treasurer's fees. This funding formula is set within the IGA and only fluctuates with Assessed Valuations.

- Due to voter authorization provided to CCCES, the majority of the Authority's revenues are no longer subject to the growth limitations imposed by the TABOR Amendment.

The Authority is dedicated to operating in a safe manner within the limits of the resources available and to continue providing service to the citizens and visitors of Clear Creek County.

Request for Information

The report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Clear Creek Fire Authority
Post Office Box #507
Dumont, Colorado 80436-0507

BASIC FINANCIAL STATEMENTS

CLEAR CREEK FIRE AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash and investments	$ 3,313,135
Accounts receivable	280,309
Capital assets, not depreciated	15,075
Capital assets, net of depreciation	4,538,842
Net pension asset	226,392
Total Assets	8,373,753
Deferred Outflows of Resources	
Related to pension	489,218
Total Deferred Outflows of Resources	489,218
Liabilities	
Accounts payable	7,145
Accrued wages and benefits	52,486
Deposits held in escrow	750
Noncurrent liabilities:	
Due in one year	43,145
Due in more than one year	86,288
Total Liabilities	189,814
Deferred Inflows of Resources	
Related to pension	149,951
Total Deferred Inflows of Resources	149,951
Net Position	
Net investment in capital assets	4,553,917
Restricted	
Emergencies	56,650
Net pension asset	226,392
Unrestricted	3,686,247
Total Net Position	$ 8,523,206

See accompanying Notes to the Financial Statements

CLEAR CREEK FIRE AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Fire protection and emergency services	$ 3,306,905	$ 178,312	$ 1,426,525	$ 154,660	$ (1,547,408)
Total Governmental Activities	$ 3,306,905	$ 178,312	$ 1,426,525	$ 154,660	(1,547,408)
GENERAL REVENUES:					
Investment earnings					152,823
Other revenue					149,516
Total general revenues					302,339
Change in net position					(1,245,069)
Net position, beginning					9,768,275
Net position, ending					$ 8,523,206

See accompanying Notes to the Financial Statements

CLEAR CREEK FIRE AUTHORITY
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2025

	General Fund
Assets	
Cash and investments	$ 3,313,135
Accounts receivable	280,309
Total Assets	$ 3,593,444
Liabilities, deferred inflows of resources and fund balance	
Liabilities:	
Accounts payable	$ 7,145
Deposits in escrow	750
Accrued salaries and benefits	52,486
Total Liabilities	60,381
Deferred inflows of resources:	
Unavailable revenue	273,854
Total Deferred Inflows of Resources	273,854
Fund balance:	
Restricted	
Emergencies	56,650
Assigned	
Subsequent year budget	527,895
Unassigned	2,674,664
Total Fund Balance	3,259,209
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 3,593,444

See accompanying Notes to the Financial Statements

CLEAR CREEK FIRE AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total fund balance, governmental fund	$	3,259,209
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		4,553,917
Long-term liabilities, are not due and payable in the current period, and therefore, are not reported in governmental funds:		
Net pension asset		226,392
Compensated absences		(129,433)
Revenues not collected within the period of availability are not reported as revenues in governmental funds, however, are revenues in the statement of activities		
Unavailable revenue		273,854
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:		
Related to pension		489,218
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:		
Related to pension		(149,951)
Total net position of governmental activities	$	8,523,206

See accompanying Notes to the Financial Statements

CLEAR CREEK FIRE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund
Revenues	
Intergovernmental	$ 1,538,595
Charges for services	178,312
Earnings on investments	152,823
Other revenue	18,760
Total revenues	1,888,490
Expenditures	
Current:	
Public safety (operations)	2,638,337
Pension contributions	50,000
Capital outlay	209,752
Total expenditures	2,898,089
Excess (deficiency) of revenues over (under) expenditures	(1,009,599)
Other financing sources (uses):	
Proceeds from sale of assets	255,000
Total other financing sources (uses)	255,000
Net change in fund balance	(754,599)
Fund balance - beginning of year	4,013,808
Fund balance - ending	$ 3,259,209

See accompanying Notes to the Financial Statements

CLEAR CREEK FIRE AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balance - total governmental fund:	$	(754,599)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or construct capital assets are reported in the governmental fund as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities:		
Capital outlay		162,197
Disposal of capital assets		(124,244)
Depreciation expense		(397,241)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements		
Change in unavailable revenue		42,590
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:		
Change in accrued compensated absences		(23,184)
Pension expense		(150,588)
Change in net position of governmental activities	$	(1,245,069)

See accompanying Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Clear Creek Fire Authority (The Authority) is an independent local governmental unit organized under the laws of the State of Colorado and governed by an elected five-member Board of Directors (Board) to provide fire protection and emergency medical services within the boundaries of Clear Creek County, Colorado.

The Authority follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Authority is not financially accountable for any other organization. The Authority is not a component unit of any other primary governmental entity.

Significant accounting policies of the Authority are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These financial statements include all of the activities of the Authority. Governmental activities are normally supported by intergovernmental contributions and charges for services.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days after year-end of the current fiscal period. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or when the long-term obligation is paid. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental fund:

The *General Fund* is used to account for all financial resources of the Authority except those required to be accounted for in another fund. Fund balance of the general fund is available to the Authority for any purpose provided it is expended or transferred according to the general laws of Colorado and the Authority's policies.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

Cash and Investments

Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at net asset value.

Receivables

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items and will be reported as expenditures in the following year. Prepayments are recorded using the consumption method.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and vehicles and accessories, are reported in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $2,000 and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the Authority are depreciated using the straight-line method over the following estimated useful lives.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Type	Years
Buildings	40
Improvements	10
Furniture and Fixtures	3 - 20
Equipment and Vehicles	3 - 20

Compensated Absences

Employees of the Authority are allowed to accumulate unused vacation and sick time. Upon separation from employment with the Authority, an employee will be compensated for accrued vacation time, up to the employee's maximum, at their current rate of pay. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The Authority's general fund is used to liquidate compensated absences of the governmental activities.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. Deferred outflows of resources include certain amounts related to the Authority's defined benefit pension plan and volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include certain amounts related to the Authority's unavailable grant revenue, defined benefit pension plan and volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

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

Nonspendable fund balance – Amounts that cannot be spent either because they are in nonspendable form (i.e., inventories or prepaid items) or because they are legally or contractually required to be maintained intact. At December 31, 2025, the Authority has no nonspendable fund balance.

Restricted fund balance – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2025, the Authority has $56,650 restricted for emergencies.

Committed fund balance – Amounts that can be used only for specific purposes determined by a formal action of the Authority's Board of Directors (Board). The Board is the highest level of decision-making body for the Authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Authority has no committed fund balance at December 31, 2025.

Assigned fund balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. At December 31, 2025, the Authority has an assigned fund balance of $527,895 due to a budgeted deficit related to fiscal year 2026.

Unassigned fund balance – Amounts that are available for any purpose.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first.

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

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Authority can report up to three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Authority.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Authority will use the most restrictive net position first.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Formal budgetary integration is employed as a management control device during the year for the general fund. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law. The amounts not included in non-GAAP budgetary basis schedules are reflected on the schedules in the budget section of this report.

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements.

- By October 15, the Board of Directors appoints the Authority's Management as the Authority's Budget Officer.
- On or before October 15, the Authority's Management, acting as the Budget Officer submits to the Board of Directors a proposed operating budget for the fiscal year commencing that following January 1. The opening budget includes proposed expenditures and the means of financing them.
- At least one public hearing is conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- Authority Management is authorized to transfer budgeted amounts between one or more line items within any fund. However, any revisions that alert the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the Authority on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year-end.

For the year ended December 31, 2025, actual expenditures exceeded budgeted expenditures which may be a violation of Colorado Budget Law.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Tax, Spending and Revenue Limitations

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

The Authority's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

The amendment is complex and subject to judicial interpretation. The Authority believes it is in compliance with the requirements of the amendment. However, the Authority has made certain interpretations in the amendment's language in order to determine its compliance.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). For the year ending December 31, 2025, the Authority has restricted $56,650 for this purpose.

NOTE 3 – CASH AND INVESTMENTS

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

Petty cash	$	106
Cash deposits		139,488
Investments		3,173,541
Total cash and investments	$	3,313,135

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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

At December 31, 2025, the bank balance and carrying amount of the Authority's deposits were $185,227 and $139,488, respectively.

Investments

The Authority has not adopted a formal investment policy; however, the Authority follows state statutes regarding investments.

The Authority generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Authority is not subject to concentration risk disclosure requirements or subject to investment custodial 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. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

ColoTrust and Fair Value

As of December 31, 2025, the Authority had invested $3,173,541 in the Colorado Local 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 $1.00, 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 rates commercial paper, and any security allowed under C.R.S. 24-75-601. All of the Authority's investments are in ColoTrust Plus+.

ColoTrust EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. ColoTrust EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement.

The custodian acts as safekeeping agent for the Trust's investments 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 is rated AAA by Standard & Poor's. The Authority's investments are measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in governmental activities capital assets during the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Deletions	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 15,075	$ -	$ -	$ 15,075
Construction in progress	217,160	-	217,160	-
Total capital assets, not depreciated	232,235	-	217,160	15,075
Capital Assets, Being Depreciated				
Buildings and improvements	3,996,841	287,811	-	4,284,652
Equipment	1,432,305	-	-	1,432,305
Vehicles and accessories	5,215,060	91,546	310,608	4,995,998
Total capital assets, depreciated	10,644,206	379,357	310,608	10,712,955
Accumulated depreciation				
Buildings and improvements	(1,243,494)	(112,381)	-	(1,355,875)
Equipment	(1,234,336)	(41,707)	-	(1,276,043)
Vehicles and accessories	(3,485,406)	(243,153)	(186,364)	(3,542,195)
Total accumulated depreciation	(5,963,236)	(397,241)	(186,364)	(6,174,113)
Net capital assets, depreciated	4,680,970	(17,884)	124,244	4,538,842
Net capital assets	$ 4,913,205	$ (17,884)	$ 341,404	$ 4,553,917

Depreciation expense of $397,241 was charged to fire protection and emergency services for the year ended December 31, 2025.

NOTE 5 – LONG-TERM DEBT

The following is an analysis of changes in the Authority's long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Deletions	Balance at December 31, 2025	Due In One Year
Compensated absences	$ 106,249	$ 23,184	$ -	$ 129,433	$ 43,145
Total	$ 106,249	$ 23,184	$ -	$ 129,433	$ 43,145

NOTE 6 – JOINT VENTURES

All cities, towns and Clear Creek County are members of the Clear Creek Fire Authority. As such, each member contributes financially to the Authority. Each member is given a board position on the Authority. The operating and capital budgets are funded by contributions based on the assessed value of each Government. For the year ended December 31, 2025, approximately 55% of the contributions received from the above joint venture agreement are received from the Clear Creek County Emergency Services General Improvement Authority (ESD); roughly 50% of the funds received from the ESD are from one taxpaying entity – the Henderson Mine – Climax Molybdenum Company.

NOTE 7 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains insurance through a commercial carrier for these risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 8 – RELATED PARTY TRANSACTIONS

During 2018, the Board of Directors authorized employees of the Authority to rent the living quarters at stations 3, 4, 6, 7 and 8 for $450 per month on a month-to-month basis. Total rent income for the year ended December 31, 2025 was $28,150.

NOTE 9 – VOLUNTEERS' PENSION FUND

Plan Description

The Authority, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan area commingled for investment purposes in the Fire and Police member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA.

The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772.

NOTE 9 – VOLUNTEERS' PENSION FUND (CONTINUED)

Volunteer firefighters who complete the minimum annual training required by the Authority and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service are entitled to benefit.

Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

At December 31, 2025, the following members were covered by the benefit terms:

Retirees and Beneficiaries	49
Inactive, Nonretired Members	8
	57

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefit for a member is $450 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive $22.50 per month for every year of service. Survivor's death benefits range from $225 monthly benefit payment to 50% of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of $800.

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2025. Contributions into the pension fund are derived from two sources: contributions directly from the Authority and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2025, the Authority's contributions were $50,000, not including contributions from the State.

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

At December 31, 2025, the Authority reported a net pension asset of $226,392. The net pension asset was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2025.

NOTE 9 – VOLUNTEERS' PENSION FUND (CONTINUED)

Standard update procedures were used to roll forward the total pension liability to December 31, 2025. For the year ended December 31, 2025, the Authority recognized pension expense of $144,402. At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earnings on Pension Plan Investments	$ 40,890	$ -
Contributions Subsequent to the Measurement Date	50,000	-
Total	$ 90,890	$ -

$50,000 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 December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2026	$ 21,175
2027	61,695
2028	(27,720)
2029	(14,260)
Total	$ 40,890

Actuarial Assumptions

The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

NOTE 9 – VOLUNTEERS' PENSION FUND (CONTINUED)

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65

Mortality rates were based on the following:

- **Pre-retirement:** Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.
- **Post-retirement:** Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.
- **Disabled:** Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

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

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

NOTE 9 – VOLUNTEERS' PENSION FUND (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	4.00%	4.20%
Fixed Income - Rates	7.00%	5.00%
Fixed Income - Credit	7.00%	6.50%
Diversifiers	9.00%	5.70%
Long Short	6.00%	6.20%
Global Public Equity	33.00%	7.00%
Private Markets	34.00%	8.80%
Total	100.00%	

NOTE 9 – VOLUNTEERS' PENSION FUND (CONTINUED)

Changes in the Net Pension Liability (Asset)

	Liability [a]	Net Position [b]	Liabilities [a] - [b]
Balance, December 31, 2024	$ 2,450,974	$ 2,756,863	$ (305,889)
Changes for the year:			
Interest	164,419	-	164,419
Net investment income	-	259,364	(259,364)
Contributions - employer	-	50,000	(50,000)
Benefit payments including refunds of employee contributions	(207,765)	(207,765)	-
Difference between expected and actual experience of Total Pension Liability	20,835	-	20,835
Changes in assumptions	218,593	-	218,593
Administrative expense	-	(16,928)	16,928
State of Colorado supplemental discretionary payment	-	31,914	(31,914)
Net changes	196,082	116,585	79,497
Balance, December 31, 2025	$ 2,647,056	$ 2,873,448	$ (226,392)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) calculated using the discount rate of 6.00 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1- percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Proportionate Share of the Net Pension Liability (Asset)	$ 31,310	$ (226,392)	$ (444,985)

The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at http://www.fppaco.org.

NOTE 10 – STATEWIDE RETIREMENT PLAN

Plan Description

The Authority contributes to the Statewide Retirement Plan. The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments. The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan.

Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan. In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan. The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent. Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.FPPAco.org.

Description of Benefits

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The normal retirement age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

NOTE 10 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Members with a combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service. A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

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

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

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

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

NOTE 10 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Upon termination, a member may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

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

Members of the defined benefit component contributed 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2025, the members of the defined benefit component and their employers contributed at a rate of 12.0 percent and 10.5 percent, respectively, of base salary for a total contribution rate of 22.5 percent. The Authority's contributions to the plan for the year ended December 31, 2025 were $112,233, equal to the required contributions.

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

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

At December 31, 2025, the Authority reported a net pension liability of $0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2024, the Authority's proportion was 0.07651% which was an increase of 0.01931% from its proportion measured at December 31, 2023.

NOTE 10 – STATEWIDE RETIREMENT PLAN (CONTINUED)

For the year ended December 31, 2025, the Authority recognized pension expense of $34,996.

At December 31, 2025, the Authority 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	$ 183,849	$ 5,751
Changes of Assumptions or other Inputs	65,798	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	26,117	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	10,331	144,200
Contributions Subsequent to the Measurement Date	112,233	-
Total	$ 398,328	$ 149,951

$112,233 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as an increase in the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Amount
2026	$ 52,779
2027	90,007
2028	(13,601)
2029	(10,065)
2030	3,447
Thereafter	13,577
Total	$ 136,144

Actuarial Assumptions

The actuarial valuations as of January 1, 2025 determined the total pension liability using the following actuarial assumptions and other inputs:

NOTE 10 – STATEWIDE RETIREMENT PLAN (CONTINUED)

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Retu	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 10 – STATEWIDE RETIREMENT PLAN (CONTINUED)

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
Total	100%	

Discount Rate

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

The COLA assumption reflects the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

NOTE 10 – STATEWIDE RETIREMENT PLAN (CONTINUED)

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

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as the Authority's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	$ 373,355	$ -	$ -

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 11 – DEFINED CONTRIBUTION PLANS

FPPA Statewide Money Purchase Plan

The Authority contributes to the Statewide Money Purchase Plan, a multiple-employer defined contribution pension plan, on behalf of the Police Chief. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA).

NOTE 11 – DEFINED CONTRIBUTION PLANS (CONTINUED)

The contribution requirements of the plan are established by State statutes. Currently, plan participants contribute 8% of base salary, which is matched by the Authority. Participants vest immediately in their contributions. Vesting in the Authority's contributions and the related investment earnings occurs at 20% per year after the first year of service, with full vesting after five years of service. During the year ended December 31, 2025 the Authority contributed $9,629 to the plan. Plan investments are managed by FPPA.

General Employees' Pension Plan

The Authority contributes to a single employer defined contribution 401(a) pension plan on behalf of its full-time employees not covered by the Fire and Police Money Purchase Pension Plan. The general employees' pension plan was established and is managed by the Authority under the authority granted by CRS 24-54-108. Both the Authority and the employee contribute 6% of the employee's base salary as established by the Authority's Board of Directors. The employees are also eligible to make additional contributions to the extent allowed by the Internal Revenue Service. The five-year vesting schedule is as follows: 0% before one-year full-time service; 20% at 1 year; 40% at 2 years; 60% at 3 years; 80% at 4 years; and 100% at 5 years. During the year ended December 31, 2025, the Authority and employees made contributions of $4,574. The Plan investments are managed by Empower Retirement.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Authority contributes to the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire and Police Pension Association of Colorado (FPPA). All full-time firefighters are members of the plan.

Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statue and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA as described previously.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

The contribution requirements are established by State statute. The Authority's Board of Directors determines the contribution split between members and the Authority. No contributions are required for members hired prior to January 1, 1997; the Authority contributed 3.3% of base salaries for the year ended December 31, 2025. The Authority's contributions to the plan for year ended December 31, 2025 were $40,618 equal to the required contributions.

REQUIRED SUPPLEMENTARY INFORMATION

CLEAR CREEK FIRE AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
Grants	$ 200,000	$ 154,660	$ (45,340)
Intergovernmental contributions	1,366,385	1,383,935	17,550
Total Intergovernmental	1,566,385	1,538,595	(27,790)
Charges for Services			
Rents	30,600	28,150	(2,450)
Contract services	126,000	146,000	20,000
Other services	52,000	4,162	(47,838)
Total Charges for Services	208,600	178,312	(30,288)
Investment earnings	150,000	152,823	2,823
Other Revenues			
Donations	-	500	500
Miscellaneous income	1,000	18,260	17,260
Total Other Revenues	1,000	18,760	17,760
Total Revenues	1,925,985	1,888,490	(37,495)
Expenditures			
Public Safety (Operations)			
Payroll & benefits expense	1,957,845	2,011,751	(53,906)
Board of directors	750	568	182
Station overhead	141,100	112,245	28,855
Insurance	114,975	131,269	(16,294)
Office equipment	7,500	4,042	3,458
Professional services	13,500	43,380	(29,880)
Other expenses	1,600	102,325	(100,725)
Fire operations	164,000	153,360	10,640
Apparatus expense	88,500	79,397	9,103
Total Public Safety (Operations)	2,489,770	2,638,337	(148,567)
Pension contributions	60,000	50,000	10,000
Capital outlay	275,000	209,752	65,248
Total Expenditures	2,824,770	2,898,089	(73,319)
Excess (deficiency) of revenues over (under) expenditures	(898,785)	(1,009,599)	35,824
Other financing sources (uses):			
Proceeds from sale of assets	-	255,000	255,000
Total Other Financing Sources (Uses)	-	255,000	255,000
Net change in fund balances	$ (898,785)	(754,599)	$ 290,824
Fund balance - beginning of year		4,013,808	
Fund balance - ending		$ 3,259,209	

See accompanying Independent Auditors' Report.

CLEAR CREEK FIRE AUTHORITY
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
STATEWIDE RETIREMENT PLAN
LAST 10 FISCAL YEARS

Fiscal year ending December, 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.07651%	0.05720%	0.05920%	0.04970%	0.01984%	0.02166%	0.02178%	0.02355%	0.02635%	0.01178%
Authority's proportionate share of the net pension liability (asset)	$ -	$ -	$ 52,564	$ (477,460)	$ -	$ (12,252)	$ (27,535)	$ 33,880	$ (9,521)	$ 208
Authority's covered payroll	$ 834,230	$ 561,609	$ 515,227	$ 399,788	$ 175,735	$ 159,663	$ 145,888	$ 137,750	$ 134,850	$ 57,088
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.0%	0.0%	10.2%	(119.4%)	0.0%	(7.7%)	(18.9%)	24.6%	(7.1%)	0.4%
Plan fiduciary net pension as a percentage of the total pension liability	100.00%	100.00%	97.60%	116.20%	106.70%	101.90%	95.23%	106.34%	98.21%	100.10%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the plan.

See accompanying Independent Auditors' Report.

CLEAR CREEK FIRE AUTHORITY
SCHEDULE OF AUTHORITY CONTRIBUTIONS
STATEWIDE RETIREMENT PLAN
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	$ 112,233	$ 83,423	$ 53,353	$ 46,370	$ 33,982	$ 14,059	$ 12,773	$ 11,671	$ 11,020	$ 10,788
Contributions in relation to the statutorily required contributions	112,233	83,423	53,353	46,370	33,982	14,059	12,773	11,671	11,020	10,788
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 1,068,884	$ 834,230	$ 561,609	$ 515,227	$ 399,788	$ 175,735	$ 159,663	$ 145,888	$ 137,750	$ 134,850
Contributions as a percentage of covered payroll	10.5%	10.0%	9.5%	9.0%	8.5%	8.0%	8.00%	8.00%	8.00%	8.00%

See accompanying Independent Auditors' Report.

CLEAR CREEK FIRE AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS – VOLUNTEER PENSION PLAN
LAST 10 FISCAL YEARS

Measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ -	$ -	$ -	$ -	$ 3,154	$ 3,154	$ 5,113	$ 5,113	$ 10,254	$ 10,254
Interest	164,419	167,235	169,668	171,987	124,415	127,500	141,470	142,043	131,678	131,837
Differences between actual and expected experience	20,835	-	(24,258)	-	750,661	-	(120,709)	-	85,032	-
Changes in assumptions	218,593	-	26,952	-	-	-	70,010	-	60,942	-
Benefit payments	(207,765)	(207,158)	(207,075)	(203,224)	(191,160)	(158,821)	(160,482)	(149,310)	(145,139)	(143,315)
Net change in total pension liability	196,082	(39,923)	(34,713)	(31,237)	687,070	(28,167)	(64,598)	(2,154)	142,767	(1,224)
Total pension liability - beginning	2,450,974	2,490,897	2,525,610	2,556,847	1,869,777	1,897,944	1,962,542	1,964,696	1,821,929	1,823,153
Total pension liability - ending	$ 2,647,056	$ 2,450,974	$ 2,490,897	$ 2,525,610	$ 2,556,847	$ 1,869,777	$ 1,897,944	$ 1,962,542	$ 1,964,696	$ 1,821,929
Plan Fiduciary Net Position										
Net investment income	$ 259,364	$ 247,941	$ (240,718)	$ 387,545	$ 304,693	$ 304,308	$ 1,380	$ 286,873	$ 101,125	$ 35,173
Employer contributions	50,000	50,000	75,000	100,000	132,000	80,000	80,000	160,000	-	79,550
Benefit payments including refunds of employee contributions	(207,765)	(207,158)	(207,075)	(203,224)	(191,160)	(158,821)	(160,482)	(149,310)	(145,139)	(143,315)
Pension plan administrative expense	(16,928)	(17,802)	(14,147)	(13,469)	(9,582)	(11,286)	(10,970)	(11,436)	(3,295)	(5,273)
State of Colorado discretionary payment	31,914	34,038	33,714	64,098	28,908	27,252	432	26,188	25,528	25,781
Net change in plan fiduciary net position	116,585	107,019	(353,226)	334,950	264,859	241,453	(89,640)	312,315	(21,781)	(8,084)
Plan Fiduciary net position - beginning	2,756,863	2,649,844	3,003,070	2,668,120	2,403,261	2,161,808	2,251,448	1,939,133	1,960,914	1,968,998
Plan Fiduciary net position - ending	$ 2,873,448	$ 2,756,863	$ 2,649,844	$ 3,003,070	$ 2,668,120	$ 2,403,261	$ 2,161,808	$ 2,251,448	$ 1,939,133	$ 1,960,914
Net pension liability (asset) - ending	$ (226,392)	$ (305,889)	$ (158,947)	$ (477,460)	$ (111,273)	$ (533,484)	$ (263,864)	$ (288,906)	$ 25,563	$ (138,985)
Plan fiduciary net position as a percentage of total pension liability	108.55%	112.48%	106.38%	118.90%	104.35%	128.53%	113.90%	114.72%	98.70%	107.63%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying Independent Auditors' Report.

CLEAR CREEK FIRE AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
VOLUNTEER PENSION PLAN
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual contribution	50,000	50,000	50,000	75,000	100,000	132,000	80,000	80,000	160,000	-
Contribution deficiency (excess)	$ (50,000)	$ (50,000)	$ (50,000)	$ (75,000)	$ (100,000)	$ (132,000)	$ (80,000)	$ (80,000)	$ (160,000)	$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates:

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

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

See accompanying Independent Auditors' Report.