



Summit County Fire Protection Authority (d.b.a. Summit Fire Authority)

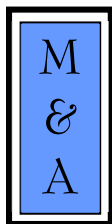
Financial Statements

December 31, 2025

**Summit Fire Authority
Financial Statements
December 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Summit Fire Authority
Frisco, Colorado**

Report on the Audit of the Financial Statements

Opinions

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

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 thereof and the respective budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 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

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Summit Fire Authority

Frisco, Colorado

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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 ("U.S. GAAP") require that the management discussion and analysis in section B 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 ("U.S. GAAS"), 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.



McMahan and Associates, L.L.C.

Avon, Colorado

May 19, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMIT FIRE AUTHORITY

Management's Discussion and Analysis
December 31, 2025

We, the financial managers of the Summit Fire Authority (the "Authority"), offer readers of the Authority's financial statements this narrative summary of the financial activities of the Authority for the fiscal year ended December 31, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. These components are discussed below.

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

The Statement of Net Position presents information on all the Authority's assets, deferred inflows of resources, liabilities, and deferred outflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activities of the Authority include training and administration and hazardous materials.

The government-wide financial statements can be found on pages C1 - C2 of this report.

Fund financial statement: 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 states and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds can be divided into three categories: Governmental, proprietary, and fiduciary funds. The Authority does not report any proprietary or fiduciary funds.

The fund financial statements can be found on pages C3- C4 of this report and are described in more detail below.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Overview of the Financial Statements (continued)

Governmental funds (continued): Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the state budget statutes.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements. The Notes regarding the Financial Statements can be found on pages D1 - D10 of this report.

Financial Analysis of the Authority

The following chart shows the Authority's assets, liabilities, and net position on December 31, 2025, and 2024.

	Governmental Activities	
	2025	2024
Assets:		
Current	\$ 957,208	\$ 727,523
Capital assets, net	1,260,955	1,203,588
Total assets	2,218,163	1,931,111
Liabilities:		
Other liabilities	322,745	295,262
Total liabilities	322,745	295,262
Net position:		
Net Investment in capital assets	1,260,955	1,203,588
Restricted for emergencies	49,439	39,991
Unrestricted	585,024	392,270
Total net position	\$ 1,895,418	\$ 1,635,849

Approximately 66.5% of the Authority's net position reflects its net investment in capital assets. The Authority's most significant capital asset is the training facilities. Other capital assets of the Authority include vehicles, training equipment, concrete trench, training container boxes, and a storage shed. The Authority's capital assets are described on page D7 of this report. The Authority uses its capital assets to provide training to the two contracting fire districts and to provide services to its citizens; therefore, these assets are not available for future spending. The remaining \$585,024 may be used to meet the Authority's ongoing obligations relating to its operations; and \$49,439 is restricted for emergencies.

Financial Analysis of the Authority (continued)

At the end of the 2025 fiscal year, the Authority can report positive balances in the net investment in capital assets and unrestricted categories of net position. Overall, the Authority's net position was an increase of \$259,569 from the prior year. The increase in net position can be attributed to a decrease in expenditures related to general operations and hazmat.

The following chart is a summary of information relating to the Authority's Statement of Revenues, Expenditures and Change in Fund Balance/Statement of Activities.

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services –		
Training and admin	\$ 1,664,052	\$ 1,221,464
Charges for services –		
Hazardous materials	131,922	113,626
Recoveries	-	2,674
General revenues:		
Earnings on investments	29,672	26,045
Miscellaneous revenues	24,538	16,003
Total revenues	1,850,184	1,379,812
Expenditures/Expenses:		
Operating expenses –		
Training and administration	1,435,410	1,207,301
Operating expenses –		
Hazardous materials	155,205	116,684
Total expenses	1,590,615	1,323,985
Change in net position	259,569	55,827
Net position – beginning	1,635,849	1,580,022
Net position – ending	\$ 1,895,418	\$ 1,635,849

Charges for services for hazmat and training and administration were the most significant sources of program revenues, accounting for 97.1% of total revenues. Other revenues from recoveries, miscellaneous revenues, and earnings on investments represented 2.9% of total revenues.

When compared to 2024, total revenues increased by \$470,372 in 2025. The revenue for governmental activities saw an increase due to assessments made by the fire districts to cover additional staffing and operational expenditures as structured in 2025. No grants were pursued or issued in 2025.

The depreciation expense of \$104,040 represented 6.54% of total expenditure. No interest expense was accounted for in the Authority's expenses in 2025.

When compared to 2024, the Authority's total operating expenses increased by \$266,630 in fiscal year 2025. Expenditure on governmental-type activities has increased due to transactions of management fees between the Authority and the managing department Red White & Blue Fire P.D.

Financial Analysis of the Authority (continued)

Significant General Fund budget variances are based on 5% or a \$5,000 variance:

Account	Budget	Actual Amount	Variance Positive (Negative)	Reason
Revenues:				
Earnings on Investments - SFA	16,000	23,343	7,343	The positive earnings on the SFA FirstBank and Colotrust Reserve accounts are due to higher than expected interest rates and the transition to the Sweep Services with the Firstbank general account. This investment account is a liquid asset account the pays a premium interest rate.
Other	12,100	24,538	12,438	This account shows positive revenue because it is a pass-through account associated with account number 59801. We pay for certificate processing as the credential agency and then invoice the fire districts for reimbursement. In 2025, more certificate processing was completed than expected.

Account	Budget	Actual Amount	Variance Positive (Negative)	Reason
Benefits	282,973	232,090	50,883	The benefits budget was underutilized due to an employee departure during the year. The replacement employee had different wages and benefit levels, and with less time remaining in the calendar year, total benefit expenses did not reach the full budgeted amount.
Contract Instruction	30,000	11,700	18,300	The anticipated allocation of \$30,000 for independent contractors was not utilized during the fiscal year as originally projected. Our plan to engage independent contractors did not materialize as expected.
Training Supplies	18,800	8,661	10,139	The allocation of \$18,000 for training supplies was under budget, primarily because we did not fully utilize the \$6,000 designated for monthly joint training and did not complete the annual lumber replacement of \$3,000 for the roof prop. This resulted in savings.

Expenditures (Cont'd):				
Internet, Website, Software	52,525	46,003	6,522	Expenses were lower than anticipated because we did not engage our IT vendor beyond the standard monthly contract. As a result, limited funds were spent on additional professional services, resulting in savings. In addition, there was approximately \$2,200 in savings from the annual subscription to the Vector Solutions platform.
Vehicle Maintenance	10,000	15,492	(5,492)	Expenses were higher than expected due to the purchase of the Safety 4 response vehicle. Additional items were required to fully outfit the vehicle and complete its operational capabilities, thus resulting in the extra expense.
Staff Training	16,000	10,947	5,053	The staff training allotments were not fully utilized, primarily due to staff changes, along with other contributing factors.
Natural Gas	17,325	9,497	7,828	This line item was simply overbudgeted, as actual rates came in lower than originally projected.
Buildings and Grounds	15,000	20,345	(5,345)	This expense came in slightly higher than expected due to the purchase of new classroom tables at the end of the year.

Capital Asset and Debt Administration

Capital Assets: The Authority's total net capital assets increased by \$57,367 in 2025, primarily due to capital asset additions in the amount of \$155,272 offset by increase in accumulated depreciation. A detailed classification of the Authority's capital assets is available on page D7 of this report.

The Authority maintains an ongoing operating agreement with the Summit County Board of Commissioners for a land lease extending through 2046. The lease requires annual payments of \$100. Although the original lease expired in 2021, the County Commissioners approved a 25-year renewal in 2020.

Next Year's Budget and Fees

The Training and Administration function of the General Fund anticipates budgeted revenue of \$1,908,679 in 2026, up from \$1,692,154 in 2025, reflecting an increase of \$216,525. Budgeted expenses are projected at \$2,146,205 in 2026, compared to \$1,564,054 in 2025, an increase of \$582,151, excluding appropriated reserves.

The Hazardous Materials function of the General Fund anticipates budgeted revenue of \$157,016 in 2026, down from \$164,194 in 2025, a decrease of \$7,178. This decrease is due to the budget process not including a carryover for the operational fund into 2026. Budgeted expenses are projected at \$160,152 in 2026, compared to \$223,687 in 2025, a decrease of \$63,535, excluding appropriated reserves.

Historical budget data allows for improved expenditure projections as the Summit Fire Authority continues to advance toward zero-based budgeting.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Summit Fire Authority, P.O. Box 1132, Frisco, CO 80443.



FINANCIAL STATEMENTS

Summit Fire Authority
Governmental Funds Balance Sheet/Statement of Net Position
December 31, 2025

	General Fund	Adjustments	Statement of Net Position
Assets:			
Cash and investments	925,331	-	925,331
Cash and investments - SCES Training Center	2,455	-	2,455
Accounts receivable	7,615	-	7,615
Prepaid expenses	21,807	-	21,807
Capital assets, net of accumulated depreciation	-	1,260,955	1,260,955
Total Assets	957,208	1,260,955	2,218,163
Liabilities:			
Accounts payable	322,745	-	322,745
Total Liabilities	322,745	-	322,745
Fund Balances:			
Non-spendable	21,807	(21,807)	
Restricted for emergencies	49,439	(49,439)	
Unassigned	563,217	(563,217)	
Total Fund Balances	634,463	(634,463)	
Total Liabilities and Fund Balance	957,208		
Net Position:			
Investment in capital assets, net of related debt		1,260,955	1,260,955
Restricted for emergencies		49,439	49,439
Unrestricted		585,024	585,024
Total Net Position		1,895,418	1,895,418

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

Summit Fire Authority
Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances/Statement of Activities
For the Year Ended December 31, 2025

	General Fund	Adjustments	Statement of Activities
Program Revenues:			
Charges for services:			
Contracting districts	1,709,865	-	1,709,865
County / Towns	86,109	-	86,109
Other	24,538	-	24,538
Total Revenues	1,820,512	-	1,820,512
Expenditures/Expenses:			
Functions:			
Training and administration	1,337,405	95,870	1,433,275
Hazardous materials	147,035	8,170	155,205
Capital outlay	163,542	(161,407)	2,135
Total Expenditures/Expenses	1,647,982	(57,367)	1,590,615
Excess (Deficiency) of Revenues Over Expenditures	172,530	57,367	229,897
General Revenues:			
Investment income	29,672	-	29,672
Total Other Financing Sources (Uses)	29,672	-	29,672
Changes in Fund Balance/Net Position	202,202	57,367	259,569
Fund Balances/Net Position:			
Beginning of Year	432,261	1,203,588	1,635,849
End of Year	634,463	1,260,955	1,895,418

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

Summit Fire Authority
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
General Fund
For the Year Ended December 31, 2025
With Comparative Actual Amounts for 2024

	2025			2024
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Contracting districts - Administration	1,664,054	1,664,052	(2)	1,221,464
Contracting districts - Hazardous materials	45,813	45,813	-	31,617
County/Town - Hazardous materials	86,110	86,109	(1)	82,009
Earnings on investments - Administration	16,000	23,343	7,343	17,494
Earnings on investments - Hazardous materials	7,000	6,329	(671)	8,551
Other	12,100	24,538	12,438	16,003
Total Revenues	1,831,077	1,850,184	19,107	1,377,138
Expenditures:				
Training and Administration:				
Contract instruction	30,000	11,700	18,300	33,878
Salaries	859,359	862,874	(3,515)	654,469
Benefits	282,973	232,090	50,883	197,089
Equipment maintenance	24,000	20,746	3,254	58,221
Training supplies	18,800	8,661	10,139	11,546
Internet, website and software	52,525	46,003	6,522	50,373
Electricity	14,605	10,775	3,830	9,726
Insurance	17,336	16,497	839	13,478
Vehicle maintenance	10,000	15,492	(5,492)	7,403
Staff training	16,000	10,947	5,053	6,506
Uniforms and bunker gear	7,200	4,403	2,797	1,794
Natural gas	17,325	9,497	7,828	11,791
Building and grounds maintenance	15,000	20,345	(5,345)	16,165
Audit	6,775	5,940	835	5,670
Colorado Division Certificates	12,000	26,351	(14,351)	13,248
Miscellaneous supplies	3,600	7,189	(3,589)	1,878
EMS supplies	12,950	12,024	926	10,101
Telephone	7,220	7,007	213	6,923
Propane	5,000	1,707	3,293	2,610
Dues and subscriptions	3,000	2,461	539	2,076
Sanitation and water	1,485	1,516	(31)	1,485
Board expenses	600	781	(181)	355
Land lease	100	100	-	100
Bank fees	1,200	2,274	(1,074)	1,353
Legal	1,500	-	1,500	-
Other	-	25	(25)	20
Total Training and Administration	1,420,553	1,337,405	83,148	1,118,258

(continued)

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

Summit Fire Authority
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
General Fund
For the Year Ended December 31, 2025
With Comparative Actual Amounts for 2024
(continued)

	2025			2024
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures:				
Hazardous Materials:				
Coordination	107,810	107,810	-	75,991
Equipment maintenance	3,900	1,112	2,788	7,772
Insurance	4,015	3,879	136	2,998
Training and development	22,500	18,659	3,841	17,287
Vehicle maintenance	3,010	1,966	1,044	1,782
Supply inventory	11,200	12,509	(1,309)	1,846
Internet	500	440	60	480
Audit	752	660	92	630
Total Hazardous Materials	153,687	147,035	6,652	108,786
Capital Outlay:	213,500	163,542	49,958	105,502
Total Expenditures	1,787,740	1,647,982	139,758	1,332,546
Excess (Deficiency) of Revenues Over Expenditures	43,337	202,202	158,865	44,592
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	43,337	202,202	158,865	44,592
Fund Balances - Beginning - Budget Basis		432,261		385,481
Fund Balances - Ending - Budget Basis		634,463		430,073
Reconciliation to GAAP Basis:				
Adjustments:				
Recoveries		-		2,674
Response agency		-		(486)
Fund Balances - Ending - GAAP Basis		634,463		432,261

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



NOTES TO THE FINANCIAL STATEMENTS

**Summit Fire Authority
Notes to the Financial Statements
December 31, 2025**

1. Summary of Significant Accounting Policies

The Summit Fire Authority (the "Authority") was organized on July 7, 1983, as a successor to the Summit County Cooperative Fire Board Association. The accounting policies of the Authority located in Frisco, Colorado, conform to accounting principles generally accepted in the United States of America (US "GAAP") as applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of the financial statements.

Reporting Entity

The Authority is a quasi-municipal corporation organized and operated pursuant to State of Colorado Revised Statutes. The Authority is governed by a Board of Directors comprised of representatives from Summit Fire & EMS Authority and Red, White and Blue Fire Protection District (the "contracting authorities").

The Authority was organized to conduct and develop cooperative programs designed to improve the fire protection and related services of the contracting authorities. Other services include the implementation of cost saving measures through various types of resource pooling, joint purchases, use, and participation arrangements. The Authority provided oversight on the construction of the Training Facility and provides for its management (see note 4).

The Authority functions as a "Jointly Governed Organization". Participation is not required and is a year-to-year commitment since the participants may withdraw for the following year by communicating their intention during the period of June 1 through July 15 of the current year. The contract requires that they remain obligated for their share of debts incurred while they were a participant; they retain no financial interest in the Authority upon withdrawal.

Blended Component Unit

The financial statements of the Authority have been prepared in conformity with US GAAP, which requires that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the application of these criteria, the Authority has identified a blended component unit within its reporting entity.

In 1997, the Authority created the Summit County Emergency Services Training Center (the "Center"). The Center is a corporation that is exempt from income taxes under the Internal Revenue Code Section 501(c)(3). The Center was formed for the purpose of making grant applications and receiving donations to assist in funding the construction and operation of the Training Facility. Although the Center is legally separate from the Authority, the Center is reported as if it were a part of the primary government as the Authority is financially accountable for the Center. The activity for the Center is included within the General Fund for reporting purposes.

Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)

1. Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its blended component unit. Governmental activities, which normally are supported by charges for services, are reported separately from business-type activities, which rely to a significant extent on fees for support. The Authority does not report any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with the specific function. Program revenues include charges for services. Earnings on investments and miscellaneous revenues are reported 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 the related cash flow.

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 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 available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Authority reports only one governmental fund:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

Amounts reported as program revenues include charges for services or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues.

Assets, Liabilities and Net Position

Cash and cash equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or significant penalty and short-term investments with an original maturity of three months or less.

Investments

The Authority's investments are reported at fair value, except for local government investment pools, which are reported at net asset value.

Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2025.

Capital Assets

Capital assets, which include buildings, equipment, and vehicles, are reported in the government-wide financial statements. The Authority defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Buildings, land improvements, vehicles and equipment are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

Description	Estimated Lives
Buildings & Improvements	5 – 40
Land Improvements	20 – 40
Office Equipment	4 – 7
Training and Response Equipment	7 – 15
Vehicles	5

Fund Balance and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the Authority, which is not restricted for any project or other purpose. A deficit will require future funding.

Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)

1. Summary of Significant Accounting Policies (continued)

Fund Balance and Net Position (continued)

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation, or because of constraints imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the "Board"). The Board is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - The assigned fund balance includes amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned - amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Authority considers restricted resources 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 Board has provided otherwise in its commitment or assignment actions.

Estimates

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

**Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)**

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position includes an adjustments column. Explanation of the adjustments included in the reconciling column is as follows:

1) Capital assets of \$3,304,058, less accumulated depreciation of \$2,043,103, or a net book value of \$1,260,955, are not current financial resources, and therefore, are not reported in the funds.

Explanation of Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-Wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and Government-wide Statement of Activities includes an adjustments column:

1) Governmental funds report capital outlay of \$163,542 as expenditures. In the Statement of Activities, \$161,407 is capitalized and allocated over their estimated useful lives as depreciation expense. Depreciation expense related to assets capitalized in the current and prior periods totaled \$104,040, which is allocated between functions (Note 4).

3. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

In the fall of each year, the Authority's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations. All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

The budget for the General Fund is adopted on a non-GAAP basis and is reconciled to the GAAP. During the year, the Authority did not amend the budget.

TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increases, a mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. The Authority believes it is exempt from TABOR restrictions.

The Authority's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)

4. Detailed Notes Concerning the Funds

Deposits and Investments

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The Pool 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 equal to 102% of the aggregate uninsured deposits.

At December 31, 2025, the Authority had cash and cash equivalent balances, as follows:

Petty Cash	\$ 150
Bank Deposits – SCES Training Center	2,455
Bank Deposits	730,418
Colotrust	194,763
Total	\$ 927,786

At December 31, 2025, the Authority had deposits with financial institutions with a carrying amount of \$871,623.

Colorado Revised Statutes specify types of investments meeting defined rating and risk criteria in which local governments may invest. The allowed investments include participation in state regulated investment pools.

Custodial Credit Risk

At December 31, 2025, the Authority had invested \$194,763 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a 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. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Investments Measured at Net Asset Value

Colotrust	\$ 194,763
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Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)

4. Detailed Notes Concerning the Funds (continued)

Capital Assets

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

	Beginning 1/1/25	Additions	Deletions	Ending 12/31/25
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 6,135	\$ -	\$ 6,135
Capital assets being depreciated:				
Buildings	2,163,810	18,519	-	2,182,329
Land Improvements	447,104	-	-	447,104
Office Improvements	13,158	-	-	13,158
Training and Response Equipment	448,665	16,944	-	465,609
Vehicles	69,914	119,809	-	189,723
Total capital assets being depreciated	3,142,651	155,272	-	3,297,923
Less accumulated depreciation for:				
Buildings	(1,463,189)	(63,486)	-	(1,526,675)
Land Improvements	(51,491)	(21,568)	-	(73,059)
Office Improvements	(11,941)	(769)	-	(12,710)
Training and Response Equipment	(342,528)	(18,217)	-	(360,745)
Vehicles	(69,914)	-	-	(69,914)
Total accumulated depreciation	(1,939,063)	(104,040)	-	(2,043,103)
Total capital assets being depreciated, net	1,203,588	51,232	-	1,254,820
Total capital assets, net	\$ 1,203,588	\$ 57,367	\$ -	\$ 1,260,955

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

Training and administration	\$ 95,870
Hazardous materials	8,170
Total	\$ 104,040

Joint Venture Agreement

On July 11, 1996, the Authority entered into a Joint Training Facility Agreement with the contracting authorities, whereby the contracting authorities will receive a proportionate ownership interest in the Training Facility as tenants in common in proportion to their respective ownership. The Agreement was amended on December 10, 2020 to update the parties to the 1996 Agreement and reaffirm the terms of the original agreement. Should the Authority cease to exist, the contracting authorities who own an interest in the Training Facility at that time shall be successors to all interests of the Authority.

Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)

4. Detailed Notes Concerning the Funds (continued)

Intergovernmental Agreements

Administrative Support and Facility Management Services Agreement

On December 12, 2019, the Authority entered into the Administrative Support and Facility Management Services Agreement with Summit Fire and EMS ("SFE") and Red, White and Blue Fire Protection District ("RWBFPD"). Under the terms of the agreement, the SFE and RWBFPD will coordinate the following:

Training facility management services; including safe operation of the High Country Training Center (the "HCTC"); provide Authority sponsored classes for fire fighter training, education, skill development, and emergency medical services. Management of the facility also includes maintenance and repair of the facility and equipment.

Authority support services; including administrative support consisting of accounting funds management, preparation of budgets, statutory compliance and coordination of Authority board meetings.

Hazardous materials services; including providing for safe mitigation of hazardous materials through Authority sponsored classes.

The Authority receives assessment payments under this agreement from either SFE and/or RWBFPD in connection with the services provided. Assessments are due on the first day of each calendar quarter. The agreement is for one year calendar terms and will automatically renew each year for the subsequent calendar year absent a written notice of termination for either party at least 90 days prior to the end of the calendar year.

On April 7, 2022, the Authority entered into the Amended and Restated Administrative Support and Facility Management Services Agreement with SFE and RWBFPD. Under the terms of the Amended and Restated agreement, RWBFPD will provide the following:

Training facility management services; including safe operation of the High Country Training Center (the "HCTC"); provide Authority sponsored classes for fire fighter training, education, skill development, and emergency medical services. Management of the facility also includes maintenance and repair of the facility and equipment.

Authority support services; including administrative support consisting of accounting funds management, preparation of budgets, statutory compliance and coordination of Authority board meetings.

Hazardous materials services; including providing for safe mitigation of hazardous materials through Authority sponsored classes.

**Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)**

4. Detailed Notes Concerning the Funds (continued)

Intergovernmental Agreements (continued)

Administrative Support and Facility Management Services Agreement (continued)

The Authority receives assessment payments under this agreement from SFE and RWBFPD in connection with the services provided. Assessments are due on the first day of each calendar quarter. Following the last day of each quarter, RWBFPD shall invoice the Authority for the actual cost of salaries and benefits during the previous quarter for RWBFPD personnel working in the Authority. The agreement is for one year calendar terms and will automatically renew each year for the subsequent calendar year absent a written notice of termination for either party at least 180 days prior to the end of the calendar year.

Under the terms of this contract, the Authority made payments to RWBFPD totaling \$888,127 and received payments from SFE and RWBFPD totaling \$1,664,052 during the year ended December 31, 2025.

Hazardous Substance Incidents Agreement

On January 1, 2019, the Authority entered into the Hazardous Substance Incidents Agreement with Summit County (the "County"), the Summit County Sheriff Office (the "Sheriff"), the Town of Blue River ("Blue River"), the Town of Breckenridge ("Breckenridge"), the Town of Dillon ("Dillon"), the Town of Frisco ("Frisco") and the Town of Silverthorne ("Silverthorne"). Under the terms of the agreement, the Authority is named the Designated Emergency Response Authority for hazardous substances incidents occurring with the County and each member Town. The Authority is responsible for training and equipping the Summit County Hazardous Materials Team (the "SCHMT"), who respond to incidents involving hazardous substances. The Authority is responsible for attempting to recover the costs of responding to a hazardous materials incident.

Assessments are paid by the contributing parties in amounts set forth in the agreement, which may increase up to 5% annually for each renewal term. The initial term of the contract is for one year, expiring December 31, 2019, and will automatically renew for four additional one year terms. In 2024, the contract was extended to December 31, 2029 absent written notice of termination by any party at least 90 days prior to the end of the calendar year.

Under the terms of this contract, the Authority received assessment payments totaling \$131,923 and reimbursement payments totaling \$0 during the year ended December 31, 2025.

Snake River Fleet Service Agreement

On January 1, 2020, the Authority entered into the Snake River Fleet Service Agreement with Summit Fire and EMS ("SFE") and Red, White and Blue Fire Protection District ("RWBFPD"). Under the terms of the agreement, SFE provides motor vehicle maintenance and repair services to the Authority and RWBFPD. Assessment payments are due on the fifth day of the quarter. The agreement is for one year calendar terms and will automatically renew each year for the subsequent calendar year absent a written notice of termination for either party at least 90 days prior to the end of the calendar year.

Under the terms of this contract, the Authority made payments totaling \$6,987 during the year ended December 31, 2025.

Summit Fire Authority
Notes to the Financial Statements
December 31, 2025
(continued)

5. Other Information

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and general liability. The Authority is a member of the Colorado Special District Property and Liability Pool (the "Pool") for property and liability insurance.

The Pool was formed by an intergovernmental agreement to provide public officials, property, general and automobile liability coverage for claims up to \$1,000,000, except if the claim falls within the government immunity statute, then the coverage is \$150,000 per person and a \$600,000 aggregate claim. The Pool is reinsured for 80% of the first \$250,000 of all claims and 100% for claims in excess of \$250,000. The Authority may be required to make additional contributions in the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts. Any excess funds, which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. Any settled claims are not expected to exceed coverage. The most recent summary of audited statutory basis financial information for the Pool can be found here: <https://csdpool.org/financials>.

Subsequent Events

In preparing the financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through , the date that the financial statements were available to be issued. No events requiring recognition or disclosure were identified.