

**NEW ISSUE
BOOK-ENTRY-ONLY
BANK QUALIFIED**

**RATING: S&P Global Ratings: A+
(See "RATING")**

In the opinion of Kline Alvarado Veio, P.C., Special Counsel, assuming continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease as interest and paid as interest on the Certificates is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Such interest on the Certificates is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; interest on the Certificates that is included in the "adjusted financial statement income" of certain corporations is not excluded from the federal corporate alternative minimum tax. Special Counsel is also of the opinion that interest on the Certificates is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates. See "TAX MATTERS" herein. The District has designated the Certificates as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Tax Code. See "FINANCIAL INSTITUTION INTEREST DEDUCTION."

\$10,000,000*

**CERTIFICATES OF PARTICIPATION, SERIES 2026
Evidencing Proportionate Interests in the Base Rentals and other
Revenues under an Annually Renewable Lease Purchase Agreement,
dated June 30, 2026, between Zions Bancorporation,
National Association, as Trustee, as lessor,
and the COLORADO RIVER FIRE PROTECTION DISTRICT,
(GARFIELD COUNTY, COLORADO), as lessee**



Dated: Date of Delivery

Due: December 1, as shown herein

The Certificates of Participation, Series 2026 (the "Certificates") evidence a proportionate interest in the base rentals and certain other revenues under an annually renewable Lease Purchase Agreement dated as of June 30, 2026 (the "Lease"), entered into between Zions Bancorporation, National Association, solely in its capacity as trustee under the Indenture (the "Trustee"), as lessor, and the Colorado River Fire Protection District, in the Garfield County, Colorado, as lessee (the "District"). The Certificates are being executed and delivered pursuant to an Indenture of Trust dated as of June 30, 2026 (the "Indenture"), executed and delivered by the Trustee.

The Certificates are issued as fully registered certificates in denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which is acting as the securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See "THE CERTIFICATES—Book-Entry Only System." The Certificates bear interest at the rates set forth herein, payable on June 1 and December 1 of each year, commencing on December 1, 2026, to and including the maturity dates shown herein (unless the Certificates are redeemed earlier), payable to the registered owner of the Certificates, initially Cede & Co. The principal of the Certificates will be payable upon presentation and surrender at the Trustee. See "THE CERTIFICATES."

The maturity schedule for the Certificates appears on the inside cover page of this Official Statement.

The Certificates are subject to redemption prior to maturity at the option of the District and are also subject to mandatory sinking fund redemption as described in "THE CERTIFICATES—Redemption Provisions." The Certificates are subject to extraordinary mandatory redemption upon the occurrence of an Event of Nonappropriation or an Event of Lease Default as described in "THE CERTIFICATES—Redemption Provisions – Extraordinary Mandatory Redemption."

The proceeds from the issuance of the Certificates will be used to: (i) finance the renovation and expansion of Fire Station 61, as further described herein, and (ii) pay the costs of issuing the Certificates. See "SOURCES AND USES OF FUNDS."

Neither the Lease nor the Certificates constitute a general obligation, a multiple fiscal year direct or indirect debt or other financial obligation or indebtedness of the District within the meaning of any constitutional, statutory or other debt limitation. None of the Lease, the Indenture or the Certificates directly or indirectly obligate the District to make any payments beyond those appropriated for any fiscal year in which the Lease may be in effect. Except to the extent payable from the proceeds of the Certificates and income from the investment thereof, from the net proceeds of any performance or payment bond, or proceeds of insurance, including self-insurance, required by the Lease; proceeds of condemnation awards, or any proceeds derived from the exercise of any Lease Remedy or otherwise following termination of the Lease by reason of an Event of Nonappropriation or an Event of Lease Default; or from other amounts made available under the Indenture, the Certificates are payable during the lease term solely from Base Rentals payable to the Trustee under the Lease and the income from certain investments under the Indenture. All payment obligations of the District under the Lease are from year to year only. The Lease is subject to annual renewal by the District. Upon termination of the Lease, the Certificates will be payable solely from moneys, if any, held by the Trustee under the Indenture and any amounts resulting from the exercise of various remedies by the Trustee under the Site Lease, the Lease and the Indenture, all as more fully described herein.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision and should give particular attention to the section entitled "CERTAIN RISK FACTORS." INVESTMENTS IN THE CERTIFICATES INVOLVES CERTAIN RISKS, AND PROSPECTIVE PURCHASERS SHOULD READ THE INFORMATION UNDER THE HEADING "CERTAIN RISK FACTORS" HEREIN FOR A DISCUSSION OF SOME, BUT NOT NECESSARILY ALL, OF THE POSSIBLE RISKS THAT SHOULD BE CAREFULLY EVALUATED PRIOR TO PURCHASING ANY CERTIFICATES. THE CERTIFICATES ARE NOT SUITABLE INVESTMENTS FOR ALL PERSONS, AND PROSPECTIVE PURCHASERS SHOULD CONFER WITH THEIR OWN LEGAL AND FINANCIAL ADVISORS AND SHOULD BE ABLE TO BEAR THE RISK OF LOSS OF THEIR INVESTMENT IN THE CERTIFICATES BEFORE CONSIDERING A PURCHASE OF THE CERTIFICATES.

The Certificates are offered when, as, and if issued and accepted by the initial Purchaser subject to the approval of legality of the Certificates by Kline Alvarado Veio, P.C., Denver, Colorado, Special Counsel, and the satisfaction of certain other conditions. Kline Alvarado Veio, P.C. also has acted as special counsel to the District in connection with the Official Statement. The District's general counsel, Ireland Stapleton Pryor & Pascoe, P.C., Denver, Colorado, will pass upon certain legal matters for the District. Ehlers, Inc., Minneapolis, Minnesota, has acted as Municipal Advisor to the District. It is expected that the Certificates will be available for delivery through the facilities of DTC, on or about June 30, 2026.*

* Preliminary, subject to change.

MATURITY SCHEDULE*
(CUSIP □ 6-digit issuer number: _____)

\$10,000,000*
CERTIFICATES OF PARTICIPATION, SERIES 2026

<u>Maturing (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP® Issue Number</u>	<u>Maturing (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP® Issue Number</u>
2027	\$190,000				2037	\$500,000			
2028	380,000				2038	515,000			
2029	390,000				2039	535,000			
2030	400,000				2040	555,000			
2031	415,000				2041	580,000			
2032	425,000				2042	600,000			
2033	440,000				2043	625,000			
2034	455,000				2044	650,000			
2035	470,000				2045	680,000			
2036	485,000				2046	710,000			

* Preliminary, subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Certificates in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the District. The District maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates.

The information set forth in this Official Statement has been obtained from the District and from the sources referenced throughout this Official Statement, which the District believes to be reliable. No representation is made by the District, however, as to the accuracy or completeness of information provided from sources other than the District. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

The Trustee has not participated in the preparation of this Official Statement and makes no representation with respect to the accuracy or completeness of any of the material contained in this Official Statement. The Trustee has no duty or obligation to pay the Certificates from its own funds, assets or corporate capital or to make inquiry regarding, or investigate the use of, amounts disbursed from funds held by it under the Indenture.

This Official Statement has been prepared only in connection with the original offering of the Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Certificates have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE CERTIFICATES ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE CERTIFICATES, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “will” and analogous expressions are intended to identify forward-looking statements. Any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the District. These

forward-looking statements speak only as of the date of this Official Statement. The District disclaims any obligation or agreement to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the District's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

**COLORADO RIVER FIRE PROTECTION DISTRICT
(GARFIELD COUNTY, COLORADO)**

BOARD OF DIRECTORS

Alan M. Lambert, President/Chairman
Addy Bristol, Vice President
Richard L. Miller, Secretary
Adria Milton-Baker, Treasurer
Paige Haderlie, Director

DISTRICT OFFICIALS

Chief Leif Sackett

TRUSTEE, REGISTRAR AND PAYING AGENT

Zions Bancorporation, National Association
Denver, Colorado

GENERAL COUNSEL

Ireland Stapleton Pryor & Pascoe, P.C.
Denver, Colorado

SPECIAL COUNSEL

Kline Alvarado Veio, P.C.
Denver, Colorado

MUNICIPAL ADVISOR

Ehlers, Inc.
Minneapolis, Minnesota

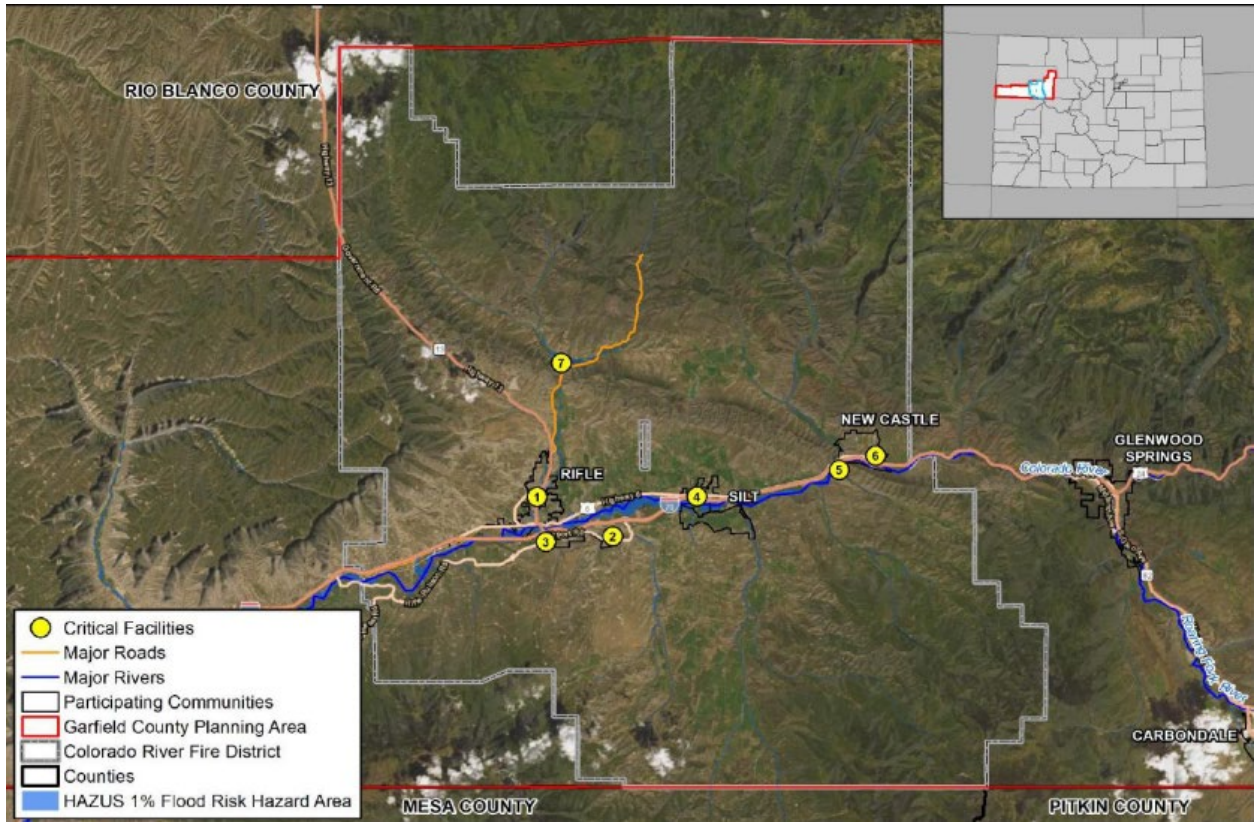
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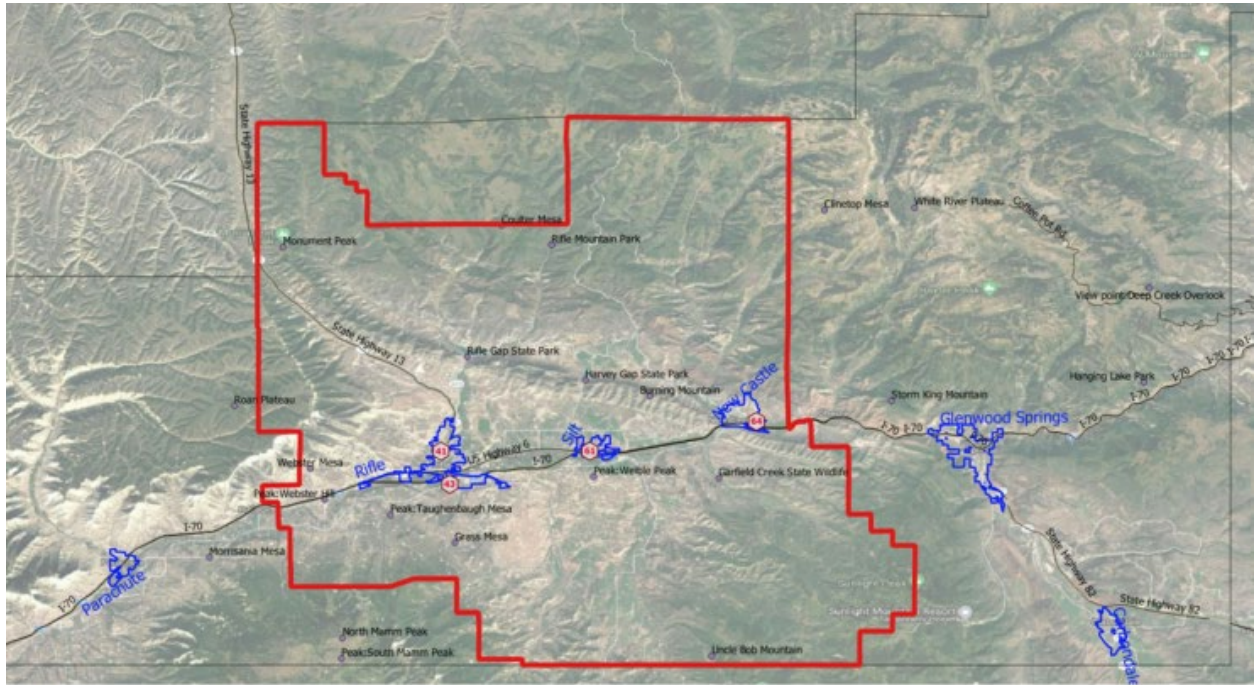
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DISTRICT MAP



REGIONAL MAP



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NOTE: Tables marked with an (*) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2 12, as amended. See Appendix D – Form of Continuing Disclosure Agreement.

The information to be updated may be reported in any format chosen by the District; it is not required that the format reflected in this Official Statement be used in future years. Further, the budget to actual comparison referenced below is to be satisfied with current year budget information found in the District’s audited financial statements only; no budget documents are required to be filed.

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OFFICIAL STATEMENT

\$10,000,000*

CERTIFICATES OF PARTICIPATION, SERIES 2026

**Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement, dated June 30, 2026,
between Zions Bancorporation, National Association, as Trustee, as lessor,
and the COLORADO RIVER FIRE PROTECTION DISTRICT,
(GARFIELD COUNTY, COLORADO), as lessee**

INTRODUCTION

General

This Official Statement, including the cover page and appendices, is furnished in connection with the execution, delivery and sale of \$10,000,000* aggregate principal amount of Certificates of Participation, Series 2026 (the "Certificates"). The Certificates evidence proportionate interests in the Base Rentals and other Revenues under an annually renewable Lease Purchase Agreement dated as of June 30, 2026 (the "Lease"), between Zions Bancorporation, National Association, solely in its capacity as trustee (the "Trustee") under the Indenture (defined below), as lessor, and the Colorado River Fire Protection District, in Garfield County, Colorado, as lessee (the "District"). The Certificates will be executed and delivered pursuant to the terms of an Indenture of Trust executed by the Trustee dated as of June 30, 2026 (the "Indenture"). Certain of the capitalized terms used herein and not otherwise defined are defined in Appendix B to this Official Statement.

The offering of the Certificates is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Certificates. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein, particularly the section entitled "CERTAIN RISK FACTORS." Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page and appendices, is unauthorized.

The District

The District is a Title 32 special district and a political subdivision of the State of Colorado (the "State") created for the purpose of providing fire suppression, fire prevention, ambulance, emergency medical, emergency rescue and hazardous materials services (collectively, "Emergency Services") to the citizens and property within its boundaries, to individuals pass through the District and, pursuant to mutual aid and automatic aid agreements, to citizens and property in surrounding areas.

The District was created as the result of a merger between the Burning Mountains Fire Protection District ("BMFPD") and Rifle Fire Protection District ("RFPD") as further described below. Prior to their merger, both BMFPD and RFPD provided Emergency Services for their respective citizens, the citizens of Garfield County and the State.

Pursuant to the authority granted them by State law, effective September 27, 2012, BMFPD and RFPD established a separate public entity known as the Colorado River Fire Rescue Authority (the

* Preliminary, subject to change.

“Authority”) to perform BMFPD’s and RFPD’s administrative, operational, and financial functions and to provide the Emergency Services.

On December 14, 2013, the board of directors of BMFPD adopted Resolution No. 2013-12-04 agreeing to include the RFPD real property into its jurisdiction immediately upon exclusion of the RFPD real property from RFPD and to provide Emergency Services to the RFPD real property immediately upon its inclusion and Resolution No. 2013-12-05 approving changing BMFPD’s name to the “Colorado River Fire Protection District” for all purposes.

On December 14, 2013, BMFPD and RFPD entered into an Intergovernmental Agreement for The Realignment of Jurisdictional Boundaries And Dissolution of Rifle Fire Protection District (the “Realignment IGA”) by which terms BMFPD and RFPD would effectuate their merger into a single, unified fire protection district, terminating the Authority, and dissolving RFPD.

Pursuant to the Realignment IGA, on January 3, 2014, the Garfield County District Court issued an order changing the name of BMFPD to “Colorado River Fire Protection District.” On August 27, 2014 the Garfield County District Court issued an order dissolving RFPD and transferring jurisdiction over all real property within the RFPD’s boundaries (except two residential properties) to the District, which order was recorded on August 29, 2014 under Reception Number 853163.

The District encompasses approximately 697 square miles located within Garfield County. According to District officials, the total population currently served by the District is approximately 25,000-30,000. The District is operated by elected board members, paid staff, paid firefighters, and other personnel.

Purpose

The proceeds from the issuance of the Certificates will be used to finance: (i) the renovation and expansion of Fire Station 61 located in Silt, Colorado; and (ii) pay the costs of issuing the Certificates. See “SOURCES AND USES OF FUNDS—The Project.”

The Certificates; Prior Redemption

The Certificates are issued solely as fully registered certificates in denominations of \$5,000, or any integral multiple thereof. The Certificates are dated as of their date of delivery and will mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page of this Official Statement. The payment of principal and interest on the Certificates is described in “THE CERTIFICATES—Payment Provisions.”

The Certificates initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which is acting as the securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See “THE CERTIFICATES—Book-Entry Only System.”

The Certificates are subject to redemption prior to maturity at the option of the District and are also subject to mandatory sinking fund redemption as described in “THE CERTIFICATES—Redemption Provisions.”

The Certificates are subject to extraordinary mandatory redemption upon the occurrence of an Event of Nonappropriation or an Event of Lease Default as described in “THE CERTIFICATES—Redemption Provisions – Extraordinary Mandatory Redemption.”

Security for the Certificates; Termination of Lease

General. The Certificates and the interest thereon are payable solely from certain revenues (the “Revenues”) received under the Lease, which include: (a) all amounts payable by or on behalf of the District or with respect to the Leased Property pursuant to the Lease including, but not limited to, all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds (all as defined in Appendix B), but not including Additional Rentals; (b) any portion of the proceeds of the Certificates deposited into the Base Rentals Fund created under the Indenture; (c) any moneys which may be derived from any insurance in respect of the Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the Indenture (except for moneys and securities held in the Rebate Fund or any defeasance escrow account).

Under the Indenture, the Trustee, for the benefit of the Owners of the Certificates, is to receive Base Rentals payable by the District under the Lease. The amount and timing of the Base Rentals are designed to provide sufficient money to the Trustee to pay the principal of and interest on the Certificates when due. The Trustee is to deposit to the Base Rentals Fund created under the Indenture all amounts payable by or on behalf of the District or with respect to the Leased Property pursuant to the Lease, including all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds.

Neither the Lease nor the Certificates constitute a general obligation or other indebtedness or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the District within the meaning of any constitutional, statutory, or other debt limitation. Neither the Certificates nor the Lease will directly or indirectly obligate the District to make any payments other than those which may be appropriated by the District for each fiscal year.

The Trustee does not have any obligation to and will not make any payments on the Certificates pursuant to the Lease or otherwise.

Sources of Payment of Base Rentals. Amounts due under the Lease are payable from all general revenues of the District and no particular revenues of the District are pledged to the payment of Base Rentals. The District currently intends to budget, appropriate and pay the Base Rentals (and Additional Rentals, if any) allocable to the Certificates from legally available funds in its General Fund. Notwithstanding the foregoing, Base Rentals and Additional Rentals may be budgeted, appropriated and paid from any of the District’s available funds in the future.

The major source of the moneys deposited into the District’s General Fund is the District’s property tax (the “Property Tax”). See “CURRENT SOURCES OF AVAILABLE REVENUES” for a description of the District’s Property Tax.

Certain statutory and constitutional limitations limit the amount of Property Tax the District can collect. See “LEGAL MATTERS—Certain Constitutional Limitations” for a discussion of those limitations.

Termination of Lease; Annual Appropriation. The Lease constitutes a one-year lease of the Leased Property which is annually renewable for additional one-year terms as described in the Lease. The District must take action annually in order to renew the Lease term for another year. If the District fails to take such action, the Lease automatically will be terminated. The District’s decision to terminate its obligations under the Lease will be determined by the failure of the Board of Directors (the “Board of Directors”) to specifically budget and appropriate moneys to pay all Base Rentals and reasonably estimated Additional Rentals for the ensuing Fiscal Year. The Fire Chief or other officer of the District at any time charged with the responsibility of formulating budget proposals is directed under the Lease to include in the annual

budget proposal submitted to the Board of Directors, in any year in which the Lease is in effect, items for all payments required under the Lease for the ensuing Renewal Term until such time, if any, as the District may determine to not renew and terminate the Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the District that any decision to effect an appropriation for the Base Rentals and Additional Rentals shall be made solely by the Board of Directors and not by any other official of the District, as further provided in the Lease.

If on or before the December 31 prior to the beginning of any Fiscal Year of the District, the District fails to budget and appropriate sufficient funds to pay all Base Rentals and all reasonably estimated Additional Rentals, the District will be considered to have terminated the Lease (subject to certain waiver and cure provisions). Upon termination of the District's obligations under the Lease, the Trustee may proceed to exercise certain remedies under the Lease and the Indenture, including the lease or sublease of the Leased Property, the sale or assignment of any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property, or one or any combination of the steps described in the Lease. See "CERTAIN RISK FACTORS—Nonappropriation" and "CERTAIN RISK FACTORS—Effect of a Termination of the Lease Term." See also Appendix B – Certain Definitions and Document Summaries—The Lease – Nonappropriation. The net proceeds of any such disposition are required to be applied by the Trustee toward the payment of the Certificates. See "THE CERTIFICATES—Redemption Provisions – Extraordinary Mandatory Redemption."

The Site Lease; Termination of the Site Lease. The District and the Trustee will enter into a Site and Improvement Lease dated as of June 30, 2026 (the "Site Lease"), pursuant to which the District will lease to the Trustee the Site and the premises, buildings and improvements thereon (the "Leased Property," as more particularly described below).

The Leased Property will be leased by the District to the Trustee pursuant to the Site Lease. At the end of the term of the Site Lease, all right, title and interest of the Trustee, or any sublessee or assignee, in and to the Leased Property will vest in the District. The Site Lease will terminate on the earliest to occur of the following: (a) the termination of the Lease Term as provided in the Lease due to the payment of the Purchase Option Price by the District, or upon payment by the District of all Base Rentals and Additional Rentals for the entire Lease Term; or (b) discharge of the Indenture as a result of the fact that all Certificates have been paid or have been deemed to have been paid as provided in the Indenture; or (c) December 31, 20[56]*. The Leased Property will no longer be subject to the provisions of the Site Lease, the Lease or the Indenture upon the termination of the Site Lease. See "CERTAIN RISK FACTORS— Factors that Could Impact Value of Property if Lease is Terminated—Limited Duration of Site Lease" and Appendix B – Certain Definitions and Document Summaries—The Site Lease – Site Lease and Term.

Release of Portion of Leased Property; Substitution of Leased Property. Pursuant to the Lease, the District may release portions of the property comprising the Leased Property in the order shown in the release schedule attached to the Lease when the principal component of Base Rentals paid by the District, plus the principal amount of any Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or deemed to be paid pursuant to the Indenture equals the amounts shown in the release schedule attached to the Lease.

When each portion of the Leased Property is deemed to have been fully amortized, the Trustee will execute and deliver to the District all documents necessary to convey and transfer the applicable portion of the Leased Property (or any property substituted for that portion of the Leased Property pursuant to the Lease) to the District. Notwithstanding the foregoing, the fair value of the remaining Leased Property must be at least equal to 100% of the aggregate principal amount of the Certificates then Outstanding, as certified

* Preliminary, subject to change.

to the Trustee by the District. After such release and conveyance, the applicable portion of the Leased Property will no longer be a part of the Leased Property for any purpose of the Lease or the Indenture.

In addition, so long as no Event of Lease Default or Event of Nonappropriation has occurred and is continuing, the District shall be entitled to substitute any improved or unimproved real estate in place of the Leased Property after satisfying the conditions set forth in the Lease. See Appendix B – Certain Definitions and Document Summaries—The Lease – Substitution of Leased Property.

Purchase Option Price. On or after December 1, 20[36], the District will have the option to purchase the Trustee’s leasehold interest in the Leased Property pursuant to the Lease and terminate the Site Lease and the Lease by paying the Purchase Option Price, which is equal to the amount necessary to pay all principal and interest due on all outstanding Certificates and any other amounts necessary to defease and discharge the Indenture, as provided in the Lease. See Appendix B – Certain Definitions and Document Summaries—The Lease – Purchase Option and Conditions for Purchase Option. The Trustee is required to use the Purchase Option Price to pay the principal, interest, and any premium on the Certificates. See “THE CERTIFICATES—Redemption Provisions.”

Additional Certificates. The Indenture permits the issuance of Additional Certificates without notice to or approval of the owners of the outstanding Certificates under the circumstances described in “SECURITY FOR THE CERTIFICATES—Additional Certificates.” The Certificates and any Additional Certificates are referred to herein as the “Certificates.”

The Leased Property

Pursuant to the Site Lease, the District will lease the Leased Property to the Trustee. Pursuant to the Lease, the District will sublease the Leased Property back from the Trustee as further described herein. The Leased Property consists of a District-owned building and the site on which it is located. The building and site is discussed below.

The Project consists of financing the cost of the renovation, expansion, construction and equipping of Fire Station 61 located within the District at 611 Main Street, Silt, Colorado 81652, including, but not limited to renovation of the existing bays, construction of new living quarters and installation of a new parking lot. The property consists of an 8,798 gross square foot building situated on an approximately 0.30 acre lot. The existing building was constructed in 1999. See “SOURCES AND USES OF FUNDS—The Project.”

Tax Status

In the opinion of Kline Alvarado Veio, P.C., Special Counsel, assuming continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease as interest and paid as interest on the Certificates is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Such interest on the Certificates is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; interest on the Certificates that is included in the “adjusted financial statement income” of certain corporations is not excluded from the federal corporate alternative minimum tax. Special Counsel is also of the opinion that interest on the Certificates is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates. See “TAX MATTERS.”

The District has designated the Certificates as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Tax Code. See “FINANCIAL INSTITUTION INTEREST DEDUCTION.”

Notwithstanding the foregoing, Special Counsel has disclaimed any opinion regarding the tax status of the Certificates upon any termination of the Lease. See “CERTAIN RISK FACTORS—Effect of Termination on Exemption from Taxation and on Exemption from Registration” and “TAX MATTERS.”

Professionals

Kline Alvarado Veio, P.C., Denver, Colorado, has acted as Special Counsel to the District in connection with issuance of the Certificates and in connection with the preparation of this Official Statement. The fees of Kline Alvarado Veio, P.C. will be paid only from Certificate proceeds at closing. Certain legal matters pertaining to the District will be passed upon by the District’s general counsel, Ireland Stapleton Pryor & Pascoe, P.C., Denver, Colorado. Ehlers, Inc., Minneapolis, Minnesota, is serving as the District’s Municipal Advisor in connection with the issuance of the Certificates. The District has appointed Zions Bancorporation, National Association to serve as Trustee. The District’s basic financial statements, included in this Official Statement as Appendix A, have been audited by Haynie & Company, certified public accountants, Littleton, Colorado. See “INDEPENDENT AUDITORS.”

Continuing Disclosure Agreement

Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (“Rule 15c2-12”), the District has agreed, for the benefit of the holders of the Certificates, to provide to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access (“EMMA”) system, certain financial information, other operating data and notices of enumerated events after the Certificates are issued. The District and the Trustee, acting as dissemination agent, will execute a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) at the time of the closing for the Certificates, and the District will covenant in the Lease to comply with its terms. The Continuing Disclosure Agreement will provide that so long as the Certificates remain outstanding, the District will provide certain information to the Trustee on an annual basis for dissemination to the public through the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”). The District has also agreed to provide notice of certain material events to the public via EMMA. The form of the Continuing Disclosure Agreement is attached hereto as Appendix D.

Compliance with Prior Undertaking. The District has not previously entered into any Continuing Disclosure Undertakings subject to Rule 15c2-12.

Additional Information

This introduction is only a brief summary of the provisions of the Certificates, the Indenture, the Lease, the Site Lease and other documents described herein; a full review of the entire Official Statement, including the appendices, should be made by potential investors. Brief descriptions of the Project, the District, the Certificates, the Indenture, the Lease, the Site Lease and other documents are included in this Official Statement. All references herein to the Certificates, the Lease, the Site Lease, the Indenture and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change without notice.*

Additional information and copies of the documents referred to herein are available from the District or the Municipal Advisor as follows:

Colorado River Fire Protection District,
in Garfield County, Colorado
Attn: Fire Chief
1850 Railroad Avenue
Rifle, Colorado 81650
Phone: (970) 625-1243

Ehlers, Inc.
3001 Broadway Street NE
Minneapolis, Minnesota 55413
Telephone: (651) 697-8500

[Remainder of page intentionally left blank.]

CERTAIN RISK FACTORS

Investment in the Certificates involves certain risks. Each prospective investor in the Certificates is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below which could affect the payment of rentals under the Lease and could affect the market price of the Certificates to an extent that cannot be determined at this time. The factors set forth below are not intended to provide an exhaustive list of the risks associated with the purchase of the Certificates.

Nonappropriation

Prospective purchasers of the Certificates must look to the ability of the District to pay Base Rentals pursuant to the Lease; such Base Rentals will provide funds for payment of principal and interest on the Certificates. The District is not obligated to pay Base Rentals or Additional Rentals under the Lease unless funds are budgeted and appropriated for such rentals by the District's Board of Directors each year. If, prior to December 31 of each year, the Board of Directors does not specifically budget and appropriate amounts sufficient to pay all Base Rentals for the next Fiscal Year, and to pay such Additional Rentals as are estimated to become due for the ensuing Fiscal Year, an "Event of Nonappropriation" occurs. If an Event of Nonappropriation occurs, the District will not be obligated to make payment of the Base Rentals or Additional Rentals which accrue after the last day of the Initial Term or Renewal Term during which such Event of Nonappropriation occurs; provided, however, that, subject to the limitations of Sections 6.1 and 14.3 of the Lease, the District shall continue to be liable for Base Rentals and Additional Rentals allocable to any period during which the District shall continue to occupy, use, or retain possession of the Leased Property.

Various political, legal and economic factors could lead to the nonappropriation of sufficient funds to make the payments under the Lease, and prospective investors should carefully consider any factors which may influence the budgetary process. There is no assurance that the Board of Directors will appropriate sufficient funds to renew the Lease each year and the District has no obligation to do so. In addition, the ability of the District to maintain adequate revenues for its operations and obligations in general (including obligations associated with the Lease) is dependent upon several factors outside the District's control, such as the economy, collections of Property Tax and changes in law. See "LEGAL MATTERS—Certain Constitutional Limitations," "SECURITY FOR THE CERTIFICATES," and "DISTRICT FINANCIAL OPERATIONS."

The obligation of the District to pay Base Rentals and Additional Rentals is limited to those District funds that are specifically budgeted and appropriated annually by the Board of Directors for such purpose. The Lease directs the Fire Chief (or any other officer at any time charged with the responsibility of formulating budget proposals) to include, in the annual budget proposals submitted to the Board of Directors, items for all payments required under the Lease for the ensuing Fiscal Year, until such time (if any) as the Board of Directors determines that it will not renew the Lease. The Lease provides that it is the intention of the Board of Directors that any decision to renew the Lease is to be made solely by the Board of Directors and not by any other official of the District. See Appendix B – Certain Definitions and Document Summaries—The Lease – Nonappropriation by the District.

Effect of a Termination of the Lease Term

In the event of termination of the District's obligations under the Lease upon the occurrence of an Event of Nonappropriation, the District is required to vacate and surrender the Leased Property by March 1 of the Fiscal Year immediately following the Fiscal Year in which an Event of Nonappropriation has occurred. If an Event of Lease Default shall have occurred and remain uncured, the Trustee may take any of the following actions: (i) terminate the Lease Term and give notice to the District to vacate and surrender

possession of the Leased Property which vacation and surrender the District agrees under the Lease to complete within sixty (60) days from the date of such notice (in the event the District does not vacate and surrender possession on the termination date, the “holdover tenant” provisions of the Lease shall apply); (ii) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee’s leasehold interest in the Leased Property pursuant to the Site Lease; (iii) recover from the District (a) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable under the Lease, during any period in which the District continues to occupy, use or possess the Leased Property; and (b) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable by the District under the Lease during the remainder, after the District vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Nonappropriation occurs; or (iv) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, the Lease and the Indenture.

A potential purchaser of the Certificates should not assume that the amount of money received by the Trustee upon the exercise of its rights under the Site Lease, the Lease and the Indenture after a termination of the Lease Term will be sufficient to pay the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon. This may be due to the inability to recover certain of the costs incurred in connection with the issuance of the Certificates.

IF THE CERTIFICATES ARE REDEEMED SUBSEQUENT TO A TERMINATION OF THE LEASE TERM FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST THEREON, SUCH PARTIAL PAYMENT WILL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES PURSUANT TO THE INDENTURE; AND UPON SUCH A PARTIAL PAYMENT, NO OWNER OF ANY CERTIFICATE WILL HAVE ANY FURTHER CLAIMS FOR PAYMENT UPON THE TRUSTEE OR THE DISTRICT.

Factors that May Cause Insufficiency of Expected Revenues

Economic and Other Factors Beyond the Control of the District. Although the District is not obligated to pay Base Rentals and Additional Rentals from any particular revenue source, it is the current expectation of the Board of Directors that Base Rentals and Additional Rentals will be paid (to the extent funds are appropriated therefor each year) from revenues in the District’s General Fund. See “CURRENT SOURCES OF AVAILABLE REVENUES.” The primary sources of revenue in the General Fund is derived from the District’s Property Tax. Property Tax revenues are subject to fluctuation, and may be impacted by adverse changes in national and local economic and financial conditions generally, reductions in the rates of employment and economic growth in the District, Garfield County, the Town of Silt, the State and the region, a decrease in rates of population growth and rates of residential and commercial development in the District, Garfield County, the Town of Silt, the State and the region and various other factors.

Existing Obligations Payable from Legally Available Revenues; Additional Bonds. The District has other obligations outstanding that are serviced from the General Fund. Although Property Tax revenues are not specifically pledged to these obligations, those revenues comprise the vast majority of revenues in the General Fund and are used to pay debt service on various obligations. See “DISTRICT DEBT STRUCTURE” for a description of the obligations payable from legally available revenues in the General Fund.

The District is authorized to issue bonds secured in whole or in part by its Property Tax after satisfying all legal conditions. Should the District issue bonds secured by the Property Tax, debt service on those bonds will be paid prior to any Property Tax revenues being available to pay Base Rentals or Additional Rentals. The District has no plans to issue any bonds secured by its Property Tax.

Factors that Could Impact Value of Property if Lease is Terminated

General. The District will retain fee simple title to the Leased Property and the Trustee will have a leasehold interest in the Leased Property pursuant to the Site Lease. Upon the termination of the Lease, the Trustee will have the right to use and possession of the Leased Property. However, a potential purchaser of the Certificates should not assume that it will be possible for the Trustee to sublease the Leased Property or otherwise sell or dispose of its leasehold interest in the Leased Property, or any portion thereof, for an amount equal to the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon or that such subleasing or disposal can be accomplished in time to pay any installment of principal or interest on the Certificates when due.

Valuation of Property. No current appraised valuation of the Leased Property is available. For insurance purposes, the District has assigned a value of \$11,500,778 to the Leased Property. However, the Trustee may not be able to sell the Leased Property upon the occurrence of an Event of Lease Default or an Event of Nonappropriation and the insured value of the facilities may not be indicative of amounts the Trustee may receive in exercising its remedies under the Lease. There is no assurance that the current level of value of the Leased Property will continue in the future and there is no guarantee that the Trustee will be able to sublease or otherwise sell or dispose of its leasehold interest in the Leased Property under the Site Lease in an amount equal to the amount of the outstanding Certificates.

Current Uses; Restrictions and Encumbrances. The Leased Property is subject to various encumbrances, all of which are Permitted Encumbrances for purposes of the Site Lease and the Lease. The ability of third parties to exercise their rights under the Permitted Encumbrances may make the Leased Property less attractive to third parties in the event the Trustee must exercise its remedies under the Lease. *There is no guarantee that the Trustee will be able to liquidate its interest in the Leased Property in an amount equal to the amount of the outstanding Certificates.*

Current Zoning of Property. The Leased Property is also subject to present and future zoning requirements or other land use regulations imposed by Garfield County. The collateral property is currently zoned as commercial property. It is possible that current zoning or future zoning changes could limit the alternate uses of the Leased Property absent a zoning change. That requirement could make the Leased Property less attractive to potential users if the Trustee must sublease or otherwise sell or dispose of its leasehold interest in the Leased Property. Zoning and land use regulations in effect in the future may restrict the future uses of the Property. Should that occur, the Leased Property may have less value to third parties than the insured value would indicate.

Limited Duration of Site Lease. The term of the Site Lease is ten years longer than the term of the Certificates. Upon termination of the Lease for any reason (including the occurrence of an Event of Nonappropriation), the Trustee may assign its interest in the Site Lease and may foreclose through the courts on or sell, lease, sublease or otherwise liquidate or dispose of its interest in the Leased Property. The net proceeds received from those activities are to be applied to pay the Certificates. However, due to the limited term of the Site Lease, the Trustee may find it difficult or impossible to locate third parties that are interested in accepting an assignment of the Trustee's rights in the Leased Property. Further, the limited term of the Site Lease may make it difficult or impossible for the Trustee to collect revenues over the remaining term of the Site Lease that are sufficient to pay the Certificates.

Enforceability of Remedies; Liquidation Delays

Under the Lease and the Site Lease, the Trustee has the right to take possession of and dispose of the Trustee's leasehold interest in the Leased Property upon an Event of Nonappropriation or an Event of Lease Default and a termination of the Lease. However, the enforceability of the Lease is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the District. Because of the use of the Leased Property by the District for the public welfare, a court in any action brought to enforce the remedy of the Trustee to take possession of the Leased Property may delay repossession for an indefinite period, even though the District may have terminated the Lease or be in default thereunder. As long as the Trustee is unable to take possession of the Leased Property or any other projects or property which may subsequently be approved in connection with the issuance of Additional Certificates, it will be unable to sublease or otherwise dispose of its leasehold interests in the Leased Property as permitted under the Site Lease and the Indenture or to redeem or pay the Certificates except from funds otherwise available to the Trustee under the Indenture. See "SECURITY FOR THE CERTIFICATES."

Effect of Termination on Exemption from Taxation and on Exemption from Registration

Special Counsel has specifically disclaimed any opinion as to the effect that termination of the Lease may have upon the treatment for federal or State income tax purposes of amounts received by the registered owners of the Certificates. There is no assurance that any amounts representing interest received by the registered owners of the Certificates after termination of the Lease as a consequence of an Event of Nonappropriation or an Event of Lease Default will be excludable from gross income under federal or State laws. In view of past private letter rulings by the United States Department of Treasury, registered owners of the Certificates should not assume that payments allocable to interest received from the Certificates would be excludable from gross income for federal or State income tax purposes.

In the event of a termination of the District's obligations under the Lease, there is no assurance that Owners of Certificates would be able to transfer their interests without compliance with federal securities laws.

Condemnation Risk

By way of example of possible risk of condemnation, in the mid-1990's, the City of Sheridan, Colorado ("Sheridan") exercised its eminent domain powers to acquire an administration building it previously had leased under an annually terminable lease purchase agreement. Sheridan sought to use its condemnation power to acquire the property at a fraction of the remaining lease payments (which would be paid to owners of certificates of participation in Sheridan's lease). Sheridan's condemnation suit was successful; however, Sheridan was unable to pay the court-determined amount representing the value of the property and eventually vacated the building in favor of the trustee. Sheridan eventually reached a settlement with the trustee and reacquired possession of the building from the trustee. Pursuant to this settlement, certificate holders reportedly received less than half of the amounts due them under the certificates. The District considers the occurrence of a situation such as the one described above to be unlikely; however, there is no assurance that the Leased Property (or portions thereof) would not be condemned in the future.

Casualty Risk

If all, substantially all, or any portion of the Leased Property is damaged or destroyed by any casualty, there is no assurance that casualty insurance proceeds and other available monies of the District will be sufficient either to repair or replace the damaged or destroyed property or to pay all the outstanding

Certificates, if the Certificates are called for mandatory redemption as a result of such casualty. See “THE CERTIFICATES—Redemption Provisions.” Although the District believes its casualty insurance coverages are adequate, there is no assurance that such damage or destruction would not have a material adverse effect on the ability of the District to make use of the Leased Property. Delays in the receipt of casualty insurance proceeds pertaining to the Leased Property or delays in the repair, restoration or replacement of property damaged or destroyed also could have an adverse effect upon the ability of the District to make use of the Leased Property or upon its ability to make timely payment of rental payments under the Lease.

Insurance Risk

The Lease requires that until termination of the Lease Term, the District must provide casualty and property damage insurance for the Leased Property in an amount equal to the estimated replacement cost of the Leased Property. Such insurance policy or policies may have a deductible clause in an amount not to exceed \$100,000. The District currently has a blanket property and casualty insurance policy covering its existing property; however, such policy is subject to annual renewal. There is no guarantee that the District will be able to acquire sufficient casualty insurance at reasonable prices in the future. See “THE DISTRICT—District Insurance Coverage.” Pursuant to the Lease, if the District insures against similar risks by self-insurance, the District may, at its election, provide for public liability insurance in connection with the Project partially or wholly by means of an adequate self-insurance fund. Such a self-insurance fund (if established) would likely be funded annually by appropriation, and there is no assurance that such fund will at any time be adequately funded. There is no assurance that, in the event the Lease is terminated as a result of damage to or destruction or condemnation of the Leased Property, moneys made available from the District’s insurance by reason of any such occurrence will be sufficient to redeem the Certificates at a price equal to the principal amount thereof outstanding plus accrued interest to the redemption date. See “THE CERTIFICATES—Redemption Provisions.”

Future Changes in Laws

Various State laws and constitutional provisions apply to the imposition, collection, and expenditure of property taxes and other revenues, and the operation of the District. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of its revenues. Such changes could include, but are not limited to, future restrictions on real estate development and growth in the District.

Secondary Market

No assurance can be given concerning the future existence of a secondary market for the Certificates, and prospective purchasers of the Certificates should therefore be prepared to hold their Certificates to maturity.

Potential Negative Consequences of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of COVID-19, could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence and/or changes in business and consumer behaviors that negatively impact economic conditions or cause an economic recession. If such an event should occur, the District cannot predict the extent to

which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the District associated with its administrative and operations functions. A public health emergency may impact future payment of property taxes, including the economic impacts on property owners and their willingness and ability to timely pay property taxes. The occurrence of any one or more of the foregoing events could have a materially adverse impact on the ability of the District to timely pay rent under the Lease.

Potential Environmental Matters

Wildfire; Disaster Risk. In recent years, the State has experienced numerous significant wildfires. According to the Colorado Department of Public Safety, the three largest fires (measured by acreage) in State history occurred in 2020, totaling 625,000 acres burned by wildfires throughout the State. Recent destructive fires include the Black Forest Fire in El Paso County in 2013, in which approximately 14,000 acres were burned and nearly 500 homes were destroyed. On December 30, 2021, the Marshall Fire burned approximately 6,000 acres and destroyed over 1,000 homes and businesses, making it the most destructive fire in State history. The Marshall Fire was located in a suburban area centered in Superior, Colorado, between Boulder, Colorado and Denver, Colorado.

No assurance can be given as to whether any future wildfire or other disaster will impact any portion of the District. The occurrence of wildfires in or adjacent to the District could have an adverse effect, among other matters, on the availability of property insurance. In the event a fire or other natural or man-made disaster destroys all or any portion of the District, the ability of the District to pay rent under the Lease could be materially negatively impacted. There can be no assurance that a casualty loss will be covered by any insurance of property owners, that any insurance company will fulfill its obligation to provide insurance proceeds, or that any insurance proceeds will be sufficient to rebuild any damaged property. There is no assurance that property owners will rebuild damaged or destroyed properties or, if they do, the timeframe in which they will rebuild.

Climate Change. Climate change, including change caused by human activities, may have material adverse effects on the District. As greenhouse gas emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as drought, wildfires, floods and heat waves. The future fiscal impact of climate change on the District is difficult to predict, but it could be significant, and it could have a material adverse effect on the ability of the District to timely pay rent under the Lease.

Drought. From time to time, the State experiences droughts. According to the U.S. Drought Monitor, much of Colorado is currently experiencing drought conditions, including Garfield County.. There can be no assurance that drought conditions will not persist or that they will not reappear in the future. The persistence or reappearance of drought conditions may materially adversely affect the ability of the District to pay rent under the Lease.

Cybersecurity

The District is aware of the threat of cyberattacks and maintains cyber insurance coverage. The District relies on computer systems and technologies to conduct many of its operations. Despite security measures, the District, like other public and private entities, has been the victim of cyber-attacks by third parties. No such attacks, however, have had a material impact on the District's operations or financial condition. Any future attack could compromise systems and the information therein, resulting in a disruption in the operations of the District. The District contracts with Colorado Special District Property and Liability Pool for cybersecurity insurance.

SOURCES AND USES OF FUNDS

Sources and Uses of Proceeds

The District expects to apply the proceeds of the Certificates as shown below:

Sources and Uses of Proceeds

	<u>Amount</u>
<u>Sources of Funds</u>	
Par amount of the Certificates.....	\$10,000,000*
Plus/(less): net original issue premium/(discount).....	
Total:	
<u>Uses of Proceeds</u>	
The Project.....	
Costs of issuance (including Underwriter’s discount) ..	
Total:	

Source: The Municipal Advisor.

The Project

The Project consists of financing the cost of the renovation, expansion, construction and equipping of Fire Station 61 located within the District at 611 Main Street, in Silt, Colorado, including, but not limited to renovation of the existing bays, construction of new living quarters and installation of a new parking lot. The property consists of an 8,798 gross square foot building situated on an approximately 0.30 acre lot. The existing building was constructed in 1999. The District intends to use proceeds of the Certificates to pay for a portion of costs associated with the renovation and expansion of the existing fire station and site.

The District has entered into a guaranteed maximum price construction contract with Shaw Construction for a total contract amount of \$9,856,612. The total cost of the Project is expected to be approximately \$11,500,778; the District intends to use its own funds to pay for the cost of the Project in excess of the net proceeds it receives from the Certificates. Renovations to the existing building are expected to begin in June, 2026 and be completed in May 2027.

The District has engaged OZ Architecture, Inc. as the Architect for the Project and Wember Inc., to serve as its Owner's Representative for the Project.

THE CERTIFICATES

General

The Certificates are issuable as fully registered certificates and initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the Certificates. Purchases by Beneficial Owners of the Certificates are to be made in book-entry only form. Payments to Beneficial Owners are to be made as described in “Book-Entry Only System” below. The Certificates are dated the

* Preliminary, subject to change.

date of their execution and delivery, and will mature on the dates and in the amounts and bear interest at the rates set forth on the inside cover page of this Official Statement.

Payment Provisions

Except for any Certificates for which DTC is acting as Depository or for an Owner of \$1,000,000 or more in aggregate principal amount of Certificates, the principal of, premium, if any, and interest on all Certificates shall be payable to the Owner thereof at its address last appearing on the registration books maintained by the Trustee. In the case of any Certificates for which DTC is acting as Depository, the principal of, premium, if any, and interest on such Certificates shall be payable as directed in writing by the Depository. In the case of an Owner of \$1,000,000 or more in aggregate principal amount of Certificates, the principal of, premium, if any, and interest on such Certificates shall be payable by wire transfer of funds to a bank account designated by the Certificate Owner in written instructions to the Trustee.

Interest (based on a 360-day year consisting of twelve 30-day months) shall be paid to the Owner of each Certificate, as shown on the registration books kept by the Trustee, as of the close of business on the 15th day of the calendar month immediately preceding the Interest Payment Date, or the Business Day immediately preceding such 15th day, if such 15th day is not a Business Day (the "Regular Record Date"), irrespective of any transfer of ownership of Certificates subsequent to the Regular Record Date and prior to such Interest Payment Date, or on a special record date, which shall be fixed by the Trustee for such purpose, irrespective of any transfer of ownership of Certificates subsequent to such special record date and prior to the date fixed by the Trustee for the payment of such interest. Notice of the special record date and of the date fixed for the payment of such interest shall be given by providing a copy thereof by first class mail postage prepaid at least ten (10) days prior to the special record date, to the Owner of each Certificate upon which interest will be paid, determined as of the close of business on the day preceding the giving of such notice.

Redemption Provisions

Optional Redemption*. The Certificates maturing on or prior to December 1, 2035, are not subject to optional redemption prior to maturity. The Certificates maturing on and after December 1, 2036, are subject to redemption prior to maturity, at the option of the District, in whole or in part, in integral multiples of \$5,000, and if in part, in such order of maturities as the District shall determine and by lot within a maturity, on December 1, 2035, and on any date thereafter, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without a redemption premium.

Mandatory Sinking Fund Redemption.* The Certificates maturing on December 1, 20__* and December 1, 20__* (the "Term Certificates"), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. Such Term Certificates are to be selected by lot in such manner as the District shall determine (giving proportionate weight to Term Certificates in denominations larger than \$5,000).

As and for a sinking fund for the redemption of the Term Certificates maturing on December 1, 20__*, there shall be redeemed (after any credits described below) from amounts on deposit in the Base Rentals Fund on the following dates, the following principal amounts of the Term Certificates maturing on December 1, 20__*:

* Preliminary, subject to change.

Redemption Date
(December 1)

Principal
Amount

On or before the thirtieth day prior to each such sinking fund payment date, the Trustee shall proceed to call the Term Certificates indicated above (or any Term Certificate or Term Certificates issued to replace such Term Certificates) for redemption from the sinking fund on the next December 1, and give notice of such call without further instruction or notice from the District.

The amount of each sinking fund installment may be reduced by the principal amount of any Term Certificates of the maturity and interest rate which are subject to sinking fund redemption on such date and which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) or otherwise canceled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the District.

Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of (a) an Event of Nonappropriation, (b) an Event of Lease Default, or (c) in the event that (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, the Leased Property has been taken by eminent domain by any governmental body, or (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent, or (4) title to or the use of all or any part of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, shall be insufficient to pay in full, the cost of repairing or replacing the Leased Property, and the District does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Certificates may be executed and delivered pursuant to the Indenture for such purpose, the Certificates are required to be called for redemption, except as described below. If called for redemption as described above, the Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Certificates, the Trustee may, or at the request of the Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to fees, costs and expenses as provided in the Indenture, without any further demand or notice, shall exercise all or any combination of Lease Remedies as provided in the Lease and the Certificates shall be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Owners of the Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other

moneys shall be allocated proportionately among the Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the District as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys' fees and expenses, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE CERTIFICATES (INCLUDING ANY ADDITIONAL CERTIFICATES) ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT WILL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO OWNER OF SUCH CERTIFICATES SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE DISTRICT.

Notwithstanding the provisions described above or any other provisions to the contrary in the Lease or the Indenture, if the Net Proceeds resulting from the exercise of such Lease Remedies are insufficient to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, the Trustee may, or at the request of the Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to fees, costs and expenses as provided in the Indenture, shall, determine that the Certificates shall not be subject to extraordinary mandatory redemption as described above, in which event the Trustee will not apply any Net Proceeds or other available moneys to the redemption of any Certificates prior to their respective maturity dates. In such event, the Trustee shall (a) allocate such Net Proceeds (together with any other available moneys held under this Indenture), proportionately among all Outstanding Certificates, and (b) apply such allocation of Net Proceeds to the payment of the principal of and interest on the Certificates on the regularly scheduled maturity and Interest Payment Dates of the Certificates.

Notice of Redemption. Whenever Certificates are to be redeemed, the Trustee is required to, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for notice of an Extraordinary Mandatory Redemption, which is required to be immediate), mail notice of redemption to all Owners of all Certificates to be redeemed at their registered addresses, by first class mail, postage prepaid, or in the event that the Certificates to be redeemed are registered in the name of the Depository, such notice may, in the alternative, be given by electronic means in accordance with the requirements of the Depository. Any notice of redemption is to (1) identify the Certificates to be redeemed, (2) specify the redemption date and the redemption price, (3) in the event of optional redemption, state that the District has given notice of its intent to exercise its option to purchase or prepay Base Rentals under the Lease, (4) state that such redemption is subject to the deposit of the funds related to such option by the District on or before the stated redemption date and (5) state that on the redemption date the Certificates called for redemption will be payable at the corporate trust office of the Trustee and that from that date interest will cease to accrue. The Trustee may use "CUSIP" numbers in notices of redemption as a convenience to Certificates Owners, provided that any such notice is required to state that no representation is made as to the correctness of such numbers either as printed on the Certificates or as contained in any notice of redemption and that reliance may be placed only on the identification numbers containing the prefix established under the Indenture.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Certificates so called for redemption, and that if such funds are not available, such redemption

shall be canceled by written notice to the owners of the Certificates called for redemption in the same manner as the original redemption notice was given.

Tax Covenants

In the Lease, the District covenants for the benefit of the Owners of the Certificates that it will not take any action or omit to take any action with respect to the Certificates, the proceeds thereof, any other funds of the District or any facilities financed with the proceeds of the Certificates (except for the possible exercise of the District's right to terminate the Lease as provided therein) if such action or omission (i) would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Certificates to lose its exclusion from the alternative minimum taxable income, as defined in Section 55(b)(2) of the Tax Code, imposed on individuals, or (iii) would cause interest on the Certificates to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law. Subject to the District's right to terminate the Lease as provided therein, the foregoing covenant shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Certificates, until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code and Colorado law have been met.

In addition, the District covenants in the Lease that its direction of investments pursuant to the Indenture shall be in compliance with the procedures established by the Tax Compliance Certificate entered into by the District with respect to the Lease (the "Tax Certificate") to the extent required to comply with its covenants described in the previous paragraph. The District further agrees in the Lease that, to the extent necessary, it will, during the Lease Term, pay to the Trustee such sums as are required for the Trustee to pay the amounts due and owing to the United States Treasury as rebate payments. Any payments pursuant to the foregoing sentence shall be Additional Rentals for all purposes of the Lease.

Defeasance and Discharge

When the principal or redemption price (as the case may be) of, and interest on, all the Certificates executed and delivered under the Indenture have been paid or provision has been made for payment of the same (or, in the case of redemption of the Certificates as described in "Redemption Provisions—Extraordinary Mandatory Redemption" above, if full or partial payment of the Certificates and interest thereon is made as described), and all other sums payable under the Indenture relating to the Certificates, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Trustee to the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall (1) release the Site Lease and transfer and convey the Trustee's leasehold interest in the Leased Property to the District as provided by the Lease, (2) release the Lease and the Indenture, (3) execute such documents to evidence such releases as may be reasonably required by the District, and (4) turn over to the District all balances then held by the Trustee in the Funds or Accounts under the Indenture except for amounts held in the Rebate Fund or any defeasance escrow accounts. If payment or provision therefor is made with respect to less than all of the Certificates, the particular Certificates (or portion thereof) for which provision for payment shall have been considered made shall be selected by the District.

Provision for the payment of all or a portion of the Certificates shall be deemed to have been made when the Trustee holds in the Base Rentals Fund, or there is on deposit in a separate escrow account or trust account held by a trust bank or escrow agent, either moneys in an amount which shall be sufficient, and/or Federal Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, concurrently deposited in trust, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said

Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Prior to any discharge of the Indenture as described above or the defeasance of any Certificates pursuant to the provisions described in this section becoming effective, there shall have been delivered to the Trustee a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the applicable Certificates in full on the maturity or redemption date thereof unless fully funded with cash.

At such time as any Certificate shall be deemed paid as described above, such Certificate shall no longer be secured by or entitled to the benefits of the Indenture, the Lease or the Site Lease, except for the purpose of exchange and transfer and any payment from such cash or Federal Securities deposited with the Trustee.

Book-Entry Only System

The Certificates will be available only in book-entry form in the principal amount of \$5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the Certificates. The ownership of one fully registered Certificate for each maturity of each series as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C—Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE CERTIFICATES, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OR REGISTERED OWNERS OF THE CERTIFICATES WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the District nor the Trustee will have any responsibility or obligation to DTC's Participants or Indirect Participants, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the Certificates as further described in Appendix C to this Official Statement.

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BASE RENTALS SCHEDULE

The following table sets forth the estimated schedule of Base Rentals due pursuant to the Lease in each year, including the estimated Principal Component and the estimated Interest Component.

The District has other obligations (including lease-purchase agreements) which are also payable from legally available revenues. The base rentals owed under two prior lease-purchase agreements are set forth in "DISTRICT DEBT STRUCTURE."

Schedule of Base Rentals^{(1)(2)*}

<u>Calendar Year</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Base Rentals</u>
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Total	\$10,000,000		
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(1) Totals may not add due to rounding.

(2) The Base Rentals are due semi-annually on May 15 and November 15 of each year that the Lease remains in effect. The Trustee will use the Base Rentals to pay the principal and interest due on the Certificates on June 1 and December 1 of each year.

Source: The Municipal Advisor.

* Preliminary, subject to change.

SECURITY FOR THE CERTIFICATES

General

Each Certificate evidences a proportionate interest in the right to receive certain designated Revenues, including Base Rentals, under and as defined in the Lease and the Indenture. Under the Site Lease, the Leased Property has been leased by the District to the Trustee, and under the Lease, the Leased Property has been subleased by the Trustee back to the District and the District has agreed to pay directly to the Trustee, Base Rentals in consideration of the District's right to possess and use the Leased Property. Certain Revenues, including Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Certificates and interest thereon.

The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the District. The execution and delivery of the Certificates does not directly or contingently obligate the District to make any payments beyond those appropriated for the District's then current Fiscal Year. As more fully described under the caption "CERTAIN RISK FACTORS," the Lease is subject to renewal on an annual basis at the option of the District. The Lease Term and the schedule of payments of Base Rentals are designed to produce moneys sufficient to pay the Certificates and interest thereon when due (if the District elects not to terminate the Lease prior to the end of the Lease Term).

The Certificates shall not constitute a mandatory charge or requirement of the District in any ensuing Fiscal Year beyond the current Fiscal Year, and shall not constitute or give rise to a general obligation or other indebtedness of the District or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the District, within the meaning of any constitutional, or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the District to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the District's then current Fiscal Year. Base Rentals and Additional Rentals may be paid from any lawfully available District monies appropriated for that purpose. See "DISTRICT FINANCIAL OPERATIONS."

In the event of termination of the District's obligations under the Lease upon the occurrence of an Event of Nonappropriation, the District is required to vacate and surrender the Leased Property by March 1 of the Fiscal Year immediately following the Fiscal Year in which an Event of Nonappropriation has occurred. If an Event of Lease Default shall have occurred and remain uncured, the Trustee may take any of the following actions: (i) terminate the Lease Term and give notice to the District to vacate and surrender possession of the Leased Property which vacation and surrender the District agrees under the Lease to complete within sixty (60) days from the date of such notice; (ii) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property; (iii) recover from the District (a) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable under the Lease, during any period in which the District continues to occupy, use or possess the Leased Property; and (b) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable by the District under the Lease during the remainder, after the District vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs; or (iv) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, the Lease and the Indenture. In the event the District does not vacate and surrender possession on the termination date, the "holdover tenant" provisions of the Lease shall apply.

Additional Certificates

So long as no Event of Indenture Default, Event of Nonappropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Certificates may be executed and delivered upon the terms and conditions set forth in the Indenture. The principal of any Additional Certificates shall mature on December 1 and the interest payment dates therefore shall be the same as the interest payment dates for the Certificates; otherwise the times and amounts of payment of Additional Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Additional Certificates may be executed and delivered without the consent of or notice to the Owners of Outstanding Certificates, to provide moneys to pay any one or more of the following:

- (a) the costs of acquiring, constructing, improving, installing and equipping any New Facility, or of acquiring a Site for any New Facility (and costs reasonably related thereto);
- (b) the costs of making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the District may deem necessary or desirable, and as in accordance with the provisions of the Lease; or
- (c) for the purpose of refunding or refinancing all or any portion of Outstanding Certificates.

Each of the Additional Certificates issued pursuant to the Indenture will evidence a proportionate interest in the rights to receive Revenues under the Indenture and shall be ratably secured with all Outstanding Certificates and in respect of all Revenues, and shall be ranked *pari passu* with such Outstanding Certificates and with Additional Certificates that may be executed and delivered in the future, if any.

For additional information on the issuance of Additional Certificates, see Appendix B – Certain Definitions and Document Summaries – Additional Certificates.

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CURRENT SOURCES OF AVAILABLE REVENUE

General

Although no particular funds or sources of revenue are pledged to make payments under the Lease, the District currently intends to budget, appropriate and pay the Base Rentals (and Additional Rentals, if any) allocable to the Certificates from its General Fund. Notwithstanding the foregoing, such Base Rentals and Additional Rentals may be budgeted, appropriated and paid from any of the District’s available funds in the future.

The District’s overall financial operations, budgeting process and information and historical General Fund financial statement comparisons are discussed in “DISTRICT FINANCIAL OPERATIONS.”

Source of District Revenues

As illustrated in the following tables, ad valorem property taxes, described in more detail in “CURRENT SOURCES OF AVAILABLE REVENUES,” constitute the largest source of District revenue. Additional sources of revenue include investment income and specific ownership taxes (a State tax on motor vehicle registrations which is shared with local governments, including the District), grant revenues, charges for services, permit fees, rental income, insurance reimbursement, interest and miscellaneous other income.

Budget Summary and Comparison

Set forth in the following table is a comparison of the General Fund budget for 2025, compared to actual results for 2025 [through November 30th], as well as actual results for 2024 and budget information for 2026. The table is presented in budgetary (legal) format and is not intended to conform to GAAP.

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Budget Summary and Comparison - General Fund

	2024 (Actual)	2025 (Budget)	2025 (Unaudited)	2026 (Adopted)**
Revenues				
Taxes	\$14,516,406	\$10,274,388	\$10,299,015	\$9,719,460
EMS charges for services, net	1,019,018	1,105,144	1,012,165	981,464
Wildlife and hazard	4,123,223	2,084,334	3,767,167	3,600,000
Service income	13,167	6,700	13,233	8,050
Interest	559,570	429,620	424,968	334,000
Grant	130,700	135,829	411,178	142,821
Other Income	65,377	54,950	173,212	163,500
Total Revenues	20,427,461	14,090,965	16,100,938	14,949,294
Expenditures				
General Overhead				
Salaries and benefits expense	10,430,683	9,632,675	11,319,515	11,559,763
Pensions retirement expense	1,299,877	745,481	765,492	806,572
Insurance	363,167	427,046	320,684	413,531
Computer, equipment and software exp	183,000	272,000	219,894	274,500
Station expenses	240,543	280,000	239,467	283,500
Treasurer and tax fees	346,718	259,882	232,926	245,608
Professional services fees	190,609	176,500	228,718	217,700
General overhead	105,250	92,500	108,544	92,500
Health and wellness expenses	100,896	126,500	166,336	98,500
Recruitment and assessment expense	33,845	18,500	3,268	18,500
Staff appreciation expense	12,951	37,500	32,191	41,000
Strategic planning expense	7,946	2,500	--	--
Staff development and conference	12,950	15,000	12,657	15,000
Board of directors expense	6,200	8,000	5,600	8,000
Banking and merchant fees	1,021	2,550	232	500
Community appreciation expense	3,417	4,000	7,715	10,000
Honor guard expense	1,276	5,000	--	5,000
Community Cares expense	2,396	4,000	2,570	3,000
Volunteer benefits	765	2,500	575	2,500
Elections expense	--	20,000	--	20,000
Miscellaneous	88	--	7,941	--
Operations				
Operations expense	1,125,899	1,270,500	1,110,958	1,241,275
Vehicle and apparatus expense	230,995	256,500	357,302	271,500
Operational training expense	119,032	181,500	161,150	214,000
Fire prevention and education expense	14,433	19,900	14,462	25,500
Training center / grounds expense	4,545	8,500	3,377	8,500
Total Expenditures	14,838,502	13,869,034	15,321,576	15,876,449
Excess Revenue Over (Under)				
Expenditures	5,588,959	221,931	779,362	(927,155)
Other Financing Sources				
Transfers from (to) other funds	(2,100,000)	--	--	(750,000)
Total other financing sources (uses)	(2,100,000)	--	--	(750,000)
Net change in fund balance	3,488,959	221,931	779,362	(1,677,155)
Fund Balance - Beginning of Year	6,366,804	9,855,763	9,855,763	9,510,324
Fund Balance End of Year	9,855,763	10,077,694	9,510,324	7,833,170

** Adopted December 9, 2025
Source: The District.

History of District Revenue and Expenditures

Set forth below is a five-year history of revenues, expenditures and changes in fund balance for the District's General Fund. The information in the following chart has been derived from the District's audited financial statements for the years 2021 through 2024 and unaudited financial statements for 2025 and are set forth in accordance with generally accepted accounting principles ("GAAP"). The following information should be read together with the District's 2024 audited financial statements and accompanying notes which appear in Appendix A. Preceding years' financial statements may be obtained from the sources noted in "INTRODUCTION—Additional Information."

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History of Revenue, Expenditures and Changes in Fund Balance – General Fund
Year Ended December 31,

	2021	2022	2023	2024	2025 (Unaudited)
Revenues					
Taxes	\$4,718,704	\$6,124,211	\$8,310,502	\$14,485,151	\$10,299,015
EMS charges for services, net	1,921,749	794,555	1,040,498	1,020,190	1,012,165
Wildlife and hazard	--	1,697,162	3,156,885	4,123,223	3,767,167
Service income	--	10,208	15,157	13,167	13,233
Interest	52,729	186,690	348,018	590,825	424,968
Grant	117,703	82,376	111,513	130,701	411,178
Other Income	687,477	105,028	125,561	65,376	173,212
Total Revenues	7,498,362	9,000,230	13,108,134	20,428,633	16,100,938
Expenditures					
General Overhead					
Salaries and benefits expense	5,865,752	6,554,167	8,537,282	10,430,684	11,319,515
Pensions retirement expense	--	--	659,676	1,299,878	765,492
Insurance	295,259	315,585	265,327	363,167	320,684
Computer, equipment and software exp	--	113,888	254,391	182,999	219,894
Station expenses	127,748	235,851	230,680	240,543	239,467
Treasurer and tax fees	101,923	139,379	191,949	346,718	232,926
Professional services fees	101,399	94,171	118,009	190,608	228,718
General overhead	--	--	88,568	105,252	108,544
Health and wellness expenses	--	--	60,239	100,897	166,336
Recruitment and assessment expense	--	29,210	13,706	33,844	3,268
Staff appreciation expense	--	--	12,411	12,951	32,191
Strategic planning expense	5,000	--	11,930	7,946	--
Staff development and conference	--	--	8,615	12,950	12,657
Board of directors expense	5,278	5,434	6,600	6,200	5,600
Banking and merchant fees	1,606	2,513	2,268	1,021	232
Community appreciation expense	--	6,722	777	3,417	7,715
Honor guard expense	1,305	--	492	1,276	--
Community Cares expense	3,915	--	--	2,396	2,570
Volunteer benefits	21,817	--	--	765	575
Election expense	28,613	26	--	--	--
EMS Expenditures	--	61,950	--	--	--
Reimbursable incident expenses	--	302,883	--	--	--
Communication expenses	--	8,781	--	--	--
Travel	--	18,956	--	--	--
Repairs and maintenance	221,881	--	--	--	--
Dues and subscriptions	5,087	--	--	--	--
Payroll taxes	80,242	--	--	--	--
Training and development	88,800	--	--	--	--
Capital outlay	50,392	--	--	--	--
Miscellaneous	--	--	--	84	7,941
Operations					
Operations expense	405,290	143,952	908,879	1,125,898	1,110,958
Vehicle and apparatus expense	211,641	205,716	220,440	230,995	357,302
Operational training expense	--	71,283	129,747	119,031	161,150
Fire prevention and education expense	--	5,947	6,772	14,433	14,462
Training center / grounds expense	--	--	3,562	4,545	3,377
Total Expenditures	7,622,948	8,316,414	11,732,320	14,838,498	15,321,576
Excess Revenue Over (Under)					
Expenditures	(124,586)	683,816	1,375,814	5,590,135	779,362
Other Financing Sources					
Transfers from (to) other funds	23,461	(709,001)	--	(2,100,000)	--
Total other financing sources (uses)	23,461	(709,001)	--	(2,100,000)	--
Net change in fund balance	(101,125)	(25,185)	1,375,814	3,490,135	779,362
Fund Balance - Beginning of Year	5,117,300	5,016,175	4,990,990	6,366,804	9,855,763
Fund Balance End of Year	5,016,175	4,990,990	6,366,804	9,856,939	9,510,324

Source: Derived from the District's audited financial statements for the years ended December 31, 2021-2024 and unaudited 2025 financial statements.

Ad Valorem Property Taxes

The District's Board has the power, subject to constitutional and statutory guidelines, to certify a levy for collection of ad valorem taxes against all taxable property within the District. Property taxes are uniformly levied against the assessed valuation of all taxable property within the District. The property subject to taxation, the assessment of such property, and the property tax procedure and collections are discussed below.

Reimbursed Property Tax Reduction for Senior Citizens, Disabled Veterans, and Surviving Spouses. Article X, Section 3.5 of the State Constitution grants a property tax reduction to qualified senior citizens, qualified disabled veterans and qualified surviving spouses of US armed forces service members who died in the line of duty or veterans whose death resulted from a service-related injury or disease. Generally, the reduction (a) reduces property taxes for qualified senior citizens and qualified disabled veterans by exempting 50% of the first \$200,000 of actual value of residential property from property taxation; (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution. In addition, for property tax years 2025 and 2026, the assessed value of owner-occupied senior primary residences for those who have previously qualified for the existing senior homestead exemption but are currently ineligible is reduced with the State reimbursing local governments for any decrease in property tax revenue resulting from the reduction.

Property Subject to Taxation. Both real and personal property located within the boundaries of the District, unless exempt, are subject to taxation by the District. Exempt property generally includes property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; irrigation ditches, canals and flumes; household furnishings; personal effects; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; agricultural equipment which is used on the farm or ranch in the production of agricultural products; and nonprofit cemeteries.

Assessment of Property. All taxable property is listed, appraised and valued for assessment as of January 1 of each year by the county assessor. The "actual" value, with certain exceptions, is determined by the county assessor annually based on a biennially recalculated "level of value" set on January 1 of each odd-numbered year. The "level of value" is ascertained for each two-year reassessment period from manuals and associated data prepared and published by the State property tax administrator for the eighteen-month period ending on the June 30 immediately prior to the beginning of each two-year reassessment period. For example, "actual" values for the 2025 levy/2026 collection year are based on market data obtained from the period January 1, 2024–June 30, 2025. "Level of value" calculation does not change for even-numbered years. The classes of property the "actual" value of which is not determined by a level of value include oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals.

The assessed value of taxable property is then determined by multiplying the "actual" value (determined as described in the immediately preceding paragraph) times an assessment ratio.

Gallagher Amendment Repeal. From 1982 to 2020, the State Constitution (in a provision referred to as the "Gallagher Amendment") required the Colorado General Assembly to calculate and potentially adjust the residential assessment rate every two years. The two most recent adjustments occurred in 2016 and 2019. Effective January 1, 2016, the residential assessment rate was changed from 7.96% of statutory

“actual” value to 7.20% of statutory “actual” value. Effective January 1, 2019, the residential assessment rate was changed from 7.20% of statutory “actual” value to 7.15% of statutory “actual” value. On November 3, 2020, however, Colorado voters approved an amendment to the State Constitution which repealed the Gallagher Amendment.

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Current Assessment Ratios. Since 2020, the General Assembly has enacted property tax legislation, among other things, creating new property classes and adjusts the assessment ratios for various property classes. The below table sets forth information regarding the current assessment ratios for residential and commercial property classes in the State.

	2022	2023		2024		2025		2026		2027 and Future Years	
Type of Property	2022 Assessment Rate	2023 Assessment Rate	2023 Actual Value Adjustment	2024 Assessment Rate	2024 Actual Value Adjustment	2025 Assessment Rate ¹	2025 Actual Value Adjustment	2026 Assessment Rate ¹	2026 Actual Value Adjustment	Assessment Rate ¹	Actual Value Adjustment
Residential											
Multi-Family	6.8%	6.7%	-\$55,000	6.7%	-\$55,000	6.15% (growth rate > 5%) ²	-- ³	6.7% (growth rate > 5%) ²	- lesser of 10% of actual value or \$70,000 ^{3,4}	6.7% (growth rate > 5%) ²	- lesser of 10% of actual value or \$70,000 ^{3,4}
						6.25% (growth rate < 5%) ²		6.8% (growth rate < 5%) ²		6.8% (growth rate < 5%) ²	
All Other Residential	6.95%	6.7%	-\$55,000	6.7%	-\$55,000	6.15% (growth rate > 5%) ²	-- ³	6.7% (growth rate > 5%) ²	- lesser of 10% of actual value or \$70,000 ^{3,4}	6.7% (growth rate > 5%) ²	- lesser of 10% of actual value or \$70,000 ^{3,4}
						6.25% (growth rate < 5%) ²		6.8% (growth rate < 5%) ²		6.8% (growth rate < 5%) ²	
Non-Residential											
Lodging	29%	27.9%	-\$30,000	27.9%	-\$30,000	27%	--	25%	--	25%	--
Renewable Energy	26.4%	26.4%	--	26.4%	--	27%	--	26%	--	25%	--
Agricultural	26.4%	26.4%	--	26.4%	--	27%	--	25%	--	25%	--
Vacant Land	29%	27.9%	--	27.9%	--	27%	--	26%	--	25%	--
Commercial	29%	27.9%	-\$30,000	27.9%	-\$30,000	27%	--	25%	--	25%	--
Industrial	29%	27.9%	--	27.9%	--	27%	--	26%	--	25%	--

¹ This table reflects the residential assessment rate for purposes of a mill levy imposed by a local governmental entity only. Legislation passed in 2024 created different residential assessment rates for purposes of a mill levy imposed by a school district.
² The applicable residential ratio for 2025 and 2026 will be determined by a statewide actual growth rate.
³ For property tax years 2025-2026, if there are sufficient excess state revenues, the valuation for assessment for qualified senior primary residential real property is reduced. See “—Reimbursed Property Tax Reduction for Senior Citizens, Disabled Veterans, and Surviving Spouses.”
⁴ The amount of \$70,000 is to be increased for inflation in the first year of each subsequent reassessment cycle.

Certain local governments are eligible for reimbursement for reductions in property tax revenue resulting from the temporary reductions in the assessment rates described above. However, because the District is required to adjust its Required Mill Levy in the event of changes in the method of calculating assessed valuation, as described herein, it is not anticipated that the District will have a reduction in property tax revenue from the above-described changes in assessment rates.

Property Tax Limit. In addition to the above-described assessment ratios, local governments are also subject to an annual limit (the “Property Tax Limit”) on property tax revenue for a given property tax year (the “Qualified Property Tax Revenue”). To prevent the Qualified Property Tax Revenue from exceeding the Property Tax Limit, the local governmental entity is required to either (a) enact a temporary property tax credit or (b) temporarily reduce the mill levy imposed by the local governmental entity. In the event the local governmental entity does not comply with either (a) or (b), then it is required to refund any Qualified Property Tax Revenue in excess of the Property Tax Limit.

The Property Tax Limit is generally calculated as the Base Amount of the Qualified Property Tax Revenue increased by the total of the Growth Rate Percentage and then increased by the Carryover Amount. The “Base Amount” means the amount of Qualified Property Tax Revenue collected and lawfully retained from whichever property tax year in a previous reassessment cycle was the property tax year for which the District collected and lawfully retained the most property tax revenue. “Carryover Amount” generally means the difference between the Base Amount that was applicable for the most recent reassessment cycle increased by the Growth Rate Percentage for that reassessment cycle, and the Qualified Property Tax Revenue from the year with the greatest Qualified Property Tax Revenue from the most recent reassessment cycle. “Growth Rate Percentage” means 5.25% multiplied by the number of property tax years in the current reassessment cycle.

Qualified Property Tax Revenue is exclusive of property tax revenue from certain sources, including, among other things, new construction, annexed property, revenue attributable to the expiration of a tax increment financing area, revenue from producing mines or lands or leaseholds producing oil or gas, revenue for the payment of bonds or other contractual obligations that have both been approved by a majority of the local governmental entity’s voters voting thereon and are outstanding as of November 5, 2024, revenue for the payment of bonds and other contractual obligations issued in accordance with existing voted authorization of a local governmental entity approved by a majority of the local governmental entity’s voters voting thereon as of November 5, 2024, revenue attributable to specific ownership taxes, and revenue attributable to new mills approved by voters in an election occurring on or after November 5, 2024.

The legislation enacting the Property Tax Limit stated that none of its provisions impair the existing voted authorization of a local governmental entity approved by a majority of its voters voting thereon in accordance with section 20 of article X of the Colorado constitution as of November 5, 2024 or impair the obligations of any bonds or other forms of indebtedness that are outstanding as of November 5, 2024 or the refunding thereof. Accordingly, the District’s prior voted authorization is not impaired nor is its ability to issue refunding bonds, including its authorization to issue general obligation debt, to impose a property tax mill levy to pay the same and to retain all revenues received by the District notwithstanding the revenue limitations imposed by Section 29-1-301 C.R.S. and TABOR. See “—Constitutional Amendment Limiting Taxes and Spending” below for a discussion of the revenue limitations of TABOR. A local governmental entity’s governing body is authorized to submit to the local governmental entity’s electors the question of whether the entity may waive the Property Tax Limit for a single property tax year, a specified number of property tax years, or all future property tax years.

Assessment Appeals. Beginning in May of each year, each county assessor hears taxpayers’ objections to property valuations, and the county board of equalization hears assessment appeals. The assessor is required to complete the assessment roll of all taxable property no later than August 25 each

year. The abstract of assessment prepared therefrom is reviewed by the State property tax administrator. Assessments are also subject to review at various stages by the State board of equalization, the State board of assessment appeals and the State courts. Therefore, the District's assessed valuation may be subject to modification as a result of the review of such entities. In the instance of the erroneous levy of taxes, an abatement or refund must be authorized by the board of county commissioners. In no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year following the year in which the taxes were levied. Refunded or abated taxes are prorated among all taxing jurisdictions which levied a tax against the property.

Taxation Procedure. The assessed valuation and statutory "actual" valuation of taxable property within the District is required to be certified by the county assessor to the District no later than August 25 each year. Such value is subject to recertification by the county assessor prior to December 10. The Board then determines a rate of levy which, when levied upon such certified assessed valuation, and together with other legally available revenues, will raise the amount required annually by the District for its General Fund to defray its expenditures during the ensuing fiscal year. In determining the rate of levy, the Board must take into consideration the limitations on certain increases in property tax revenues as described in "—Constitutional Amendment Limiting Taxes and Spending" and "—Budget and Appropriation Procedure" below. The Board of the District must certify the District's levy to Garfield County no later than December 15.

Upon receipt of the tax levy certification of the District and other taxing entities within the County, the Board of County Commissioners levies against the assessed valuation of all taxable property within the County the applicable property taxes. Such levies are certified by the Board of County Commissioners to the County Assessor, who thereupon delivers the tax list and warrant to the County Treasurer for the collection of taxes.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Taxes certified in 2025, for example, are being collected in 2026. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or two equal installments (not later than the last day of February and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts become delinquent, and interest thereon will accrue from March 1 (with respect to the first installment) and June 16 (with respect to the second installment) until the date of payment, provided that if the full amount of taxes is to be paid in a single payment, such amount will become delinquent on May 1 and will accrue interest thereon from such date until paid. The county treasurer collects current and delinquent property taxes, as well as any interest, penalties, and other requirements and remits the amounts collected on behalf of the District to the County on a monthly basis.

All taxes levied on real and personal property, together with any interest and penalties prescribed by law, as well as other costs of collection, until paid, constitute a perpetual lien on and against the taxed property. Such lien is on parity with the liens of other general taxes. It is the county treasurer's duty to enforce the collection of delinquent real property taxes by sale of the tax lien on such realty in December of the collection year and of delinquent personal property taxes by the distraint, seizure and sale of such property at any time after October 1 of the collection year. There can be no assurance, however, that the value of taxes, penalty interest and costs due on the property can be recovered by the county treasurer. Further, the county treasurer may set a minimum total amount below which competitive bids will not be accepted, in which event property for which acceptable bids are not received will be set off to the County. Taxes on real and personal property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and canceled by the board of county commissioners.

Ad Valorem Property Tax Data

A five year history of the District’s certified assessed valuations and mill levies, as well as actual values are set forth in the following tables.

History of Assessed Valuations and Mill Levies for the District

Levy/ Collection Year	<u>Assessed Value</u>		<u>Mill Levies</u>			
	Garfield County	Percent Change	General Fund	Debt Service	Special Abatement	Total
2020/2021	\$685,875,430	--	6.102	--	--	6.102
2021/2022	625,156,580	(8.9)%	9.102	--	--	9.102
2022/2023	853,848,970	36.6	9.102	--	--	9.102
2023/2024	1,208,131,390	41.5	11.102	--	--	11.102
2024/2025	864,617,220	(28.4)	11.102	--	--	11.102
2025/2026	760,015,360	(12.1)	11.858	--	--	11.858

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2020-2024; and the Garfield County Assessor’s Office.

The following table sets forth the history of the District’s ad valorem property tax collections for the time period indicated.

Property Tax Collections in the District

Levy/Collection Year	Taxes Levied ⁽¹⁾	Current Tax Collection ⁽²⁾	Collection Rate
2020/2021	\$4,185,212	\$4,718,704	112.7%%
2021/2022	5,703,894	6,124,211	107.4%
2022/2023	7,771,733	7,730,339	99.5%
2023/2024	13,110,853	13,067,633	99.7%
2024/2025 ⁽³⁾	9,606,338	9,724,038	101.2%

⁽¹⁾ Levied amounts do not reflect abatements or other adjustments.

⁽²⁾ The County Treasurer’s collection fees have not been deducted from these amounts, nor do they include delinquent tax collections or interest collected.

⁽³⁾ Collections shown as of June 30, 2025 for Garfield County.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2020-2024; and the Garfield County Treasurers’ Office.

The following tables set forth the assessed valuation of specific classes of real and personal property within the District for Garfield County based upon the District’s 2025 assessed valuation for each. As shown below, residential property accounts for the largest percentage of the District’s assessed valuation, and therefore it is anticipated that owners of residential property will pay the largest percentage of ad valorem property taxes levied by the District.

Assessed Valuation of Classes of Property in the District – Garfield County

Property Class	2025 Assessed Valuation*	Percent of Total Assessed Valuation*
Residential	\$294,409,580	38.7%
Commercial	116,439,060	15.3
State Assessed	52,118,320	6.9
Industrial	5,209,590	0.7
Vacant	39,419,570	5.2
Agricultural	7,506,740	1.0
Renewable Energy	511,420	0.1
Oil and Gas	243,379,180	32.0
Natural Resources	1,021,900	0.1
Total	<u>\$760,015,360</u>	100.00%

*Property class valuations are estimates pending final break-down from the County Assessor.

Source: Garfield County Assessor’s Office.

Based upon the most recent information available from the County Assessor’s Office, the following table represents the largest taxpayers within the District, for Garfield County, as measured by assessed value. A determination of the largest taxpayers can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several parcels may have an aggregate assessed value in excess of those set forth in the following table. No independent investigation has been made of and consequently there can be no representation as to the financial conditions of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District.

Largest Taxpayers in the District for 2025 – Garfield County

Taxpayer Name	2025 Assessed Valuation (adjusted)	Percentage of Total Assessed Valuation ⁽¹⁾
TEP Rocky Mountain LLC	\$112,989,600	14.9%
QB Energy Operating LLC	43,847,140	5.8
Terra Energy Partners LLC	41,704,010	5.5
Grand River Gathering LLC	18,984,340	2.5
Bargath, Inc.	8,353,390	1.1
Red Rock Gathering Company LLC	3,668,600	0.5
Spring Born REO LLC	3,300,080	0.4
Frontella Revocable Trust III	2,405,800	0.3
Rifle Hotels LLC	2,114,880	0.3
Crown Hospitality LLC	2,033,820	0.3
Agree Rifle CO LLC	<u>1,928,510</u>	0.3
TOTAL	<u>\$241,330,170</u>	<u>31.8%</u>

(1) Based on the 2025 certified assessed valuation of \$760,015,360.
Source: Garfield County Assessors’ Office.

In addition to the District’s ad valorem property tax levy, owners of property within the District are obligated to pay taxes to other taxing entities in which their property is located. As a result, property owners within the District’s boundaries may be subject to different mill levies depending upon the location of their property. The following table reflects a sample mill levy that may be imposed on certain properties within the District and is not intended to portray the mills levied against all properties within the areas shown. Property owners within the areas indicated may be subject to larger or smaller total mill levy than the samples given in the following table.

Sample Mill Levy Affecting District Property Owners

<u>Name of Taxing Entity</u>	<u>2025 Mill Levy⁽¹⁾</u>
Garfield County	13.655
City of Rifle	5.261
Colo River Water Conservation District	0.502
Silt Water Conservation District	0.829
Grand River Hospital District	14.392
Garfield School District RE-2	31.112
Colorado Mountain College	3.820
Rifle Downtown Development District	3.774
Garfield County Public Library District	<u>2.504</u>
Total Overlapping Sample Mill Levy	<u>75.849</u>
District	<u>11.858</u>
Total Sample Mill Levy	<u>87.707</u>

⁽¹⁾ One mill equals 1/10 of one cent. Mill levies are for assessment year 2025, collection year 2026.

Estimated Overlapping General Obligation Debt

In addition to the District, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the District. The following table sets forth the estimated overlapping general obligation debt attributable to property owners within the District as of the date of this Official Statement. Additional taxing entities may overlap with the District in the future.

Estimated Overlapping General Obligation Debt

<u>Name of Overlapping Entity⁽¹⁾</u>	<u>2025 Assessed Valuation⁽²⁾</u>	<u>Outstanding General Obligation Debt</u>	<u>Outstanding General Obligation Debt Attributable to the District⁽³⁾</u>	
			Percent	Amount
Grand River Hospital District	\$1,830,737,390	\$66,190,000	0.12%	\$79,428
Garfield School District RE-2	957,165,450	33,761,711	0.19%	64,147
TOTAL	<u>\$2,787,902,840</u>	<u>\$99,951,711</u>	<u>0.31%</u>	<u>\$143,575</u>

(1) The following entities also overlap the District but have no reported general obligation debt outstanding: Garfield County, City of Rifle, Colorado River Water Conservation District, Silt Water Conservation District, Colorado Mountain College, Rifle Downtown Development District, Garfield County Public Library District.

(2) Assessed values certified in 2025 are for collection of ad valorem property taxes in 2026.

(3) The percentage of each entity’s outstanding debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District’s assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which the property owners within the District are responsible will also change.

THE DISTRICT

General

The District is a Title 32 special district and a political subdivision of the State of Colorado (the “State”) created for the purpose of providing fire suppression, fire prevention, ambulance, emergency medical, emergency rescue and hazardous materials services (collectively, “Emergency Services”) to the citizens and property within its boundaries, to individuals pass through the District and, pursuant to mutual aid and automatic aid agreements, to citizens and property in surrounding areas.

The District was created as the result of a merger between the Burning Mountains Fire Protection District (“BMFPD”) and Rifle Fire Protection District (“RFPD”) as further described below. Prior to their merger, both BMFPD and RFPD provided Emergency Services for their respective citizens, the citizens of Garfield County and the State.

Pursuant to the authority granted them by State law, effective September 27, 2012, BMFPD and RFPD established a separate public entity known as the Colorado River Fire Rescue Authority (the “Authority”) to perform BMFPD’s and RFPD’s administrative, operational, and financial functions and to provide the Emergency Services.

On December 14, 2013, the board of directors of BMFPD adopted Resolution No. 2013-12-04 agreeing to include the RFPD real property into its jurisdiction immediately upon exclusion of the RFPD real property from RFPD and to provide Emergency Services to the RFPD real property immediately upon its inclusion and Resolution No. 2013-12-05 approving changing BMFPD’s name to the “Colorado River Fire Protection District” for all purposes.

On December 14, 2013, BMFPD and RFPD entered into an Intergovernmental Agreement for The Realignment of Jurisdictional Boundaries And Dissolution of Rifle Fire Protection District (the “Realignment IGA”) by which terms BMFPD and RFPD would effectuate their merger into a single, unified fire protection district, terminating the Authority, and dissolving RFPD.

Pursuant to the Realignment IGA, on January 3, 2014, the Garfield County District Court issued an ordered changing the name of BMFPD to “Colorado River Fire Protection District.” On August 27, 2014 the Garfield County District Court issued an order dissolving RFPD and transferring jurisdiction over all real property within the RFPD’s boundaries (except two residential properties) to the District, which order was recorded on August 29, 2014 under Reception Number 853163.

The District encompasses approximately 697 square miles located within Garfield County. According to District officials, the total population currently served by the District is approximately 25,000-30,000. The District is operated by elected board members, paid staff, paid firefighters, and other personnel.

District Power

The rights, powers, privileges, authorities, functions and duties of the District are established by the laws of the State, particularly the Special District Act, which provides that the Board has certain powers including, but not limited to, the power: to have perpetual existence; to sue and be sued; to enter into contracts and agreements; to incur indebtedness and revenue obligations; to acquire, dispose of, and encumber real and personal property; to have the management, control, and supervision of all the business and affairs of the special district and all construction, installation, operation, and maintenance of special district improvements; to appoint, hire, and retain agents, employees, engineers, and attorneys; to adopt and

enforce fire codes approved by resolution of the municipality or county in which the District is located and, in the absence of a fire code, in certain circumstances compel property owners to install certain safety devices whenever necessary for public safety; to create and maintain pension funds for its paid firefighters and to establish a system of civil service to cover any full-time paid fire fighters, but only upon approval of the voters; to acquire, dispose of, or encumber fire stations, fire protection and firefighting equipment, and any interest therein; to exercise the power of eminent domain and dominant eminent domain; to undertake and operate an ambulance service, an emergency medical service, a rescue unit, and a diving and grappling service; and to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to special districts by statute.

The District also has the power to:

(a) fix and from time to time increase or decrease fees, rates, tolls, or charges for services, programs or facilities furnished by or available from the District within its jurisdictional boundaries, provided, that the District cannot on its own authority impose a fee, rate, toll, or charge for responding to, combating, or extinguishing a fire occurring on taxable real or personal property, buildings, or facilities located within the District's jurisdictional boundaries. This limitation does not prevent the District from charging or seeking reimbursement for responding to, combating, or extinguishing such a fire if the charge or claim for reimbursement is authorized by a federal law or regulation or a State law or rule. Until paid such fees, rates, tolls, penalties, or charges constitute a perpetual lien on and against the property served, and may be foreclosed in the same manner as foreclosure of mechanics' liens;

(b) to furnish services and facilities outside the District's boundaries and to establish fees, rates, tolls, penalties, or charges for such services and facilities;

(c) to impose fees and charges for ambulance and emergency medical services and extrication, rescue, and safety services provided in furtherance of ambulance or emergency medical services;

(d) Commencing January 1, 2025, to impose directly an impact fee on the construction of new buildings, structures, facilities, or improvements, including oil or gas wells and related equipment, on previously improved or on unimproved real property within the District's jurisdictional boundaries pursuant to a legislatively adopted impact fees schedule; and,

(e) With prior voter authorization, impose a sales tax.

The District's Fire Chief has authority over the supervision of all fires within the District, except as otherwise provided by law, and is vested with authority to command the fire department of the District. The powers of the Fire Chief include, but are not limited to, the following: to enforce all laws of the State, and ordinances and resolutions of appropriate political subdivisions, relating to the prevention of fires and suppression of arson; to inspect or cause to be inspected by members or officers of the District all buildings, premises, public places, except the interior of any private dwelling, for the purpose of ascertaining and causing to be corrected any condition liable to cause fire; to enforce all laws of the State, and ordinances and resolutions of any appropriate political subdivision, pertaining to the keeping, storage, use, manufacture, sale, handling, transportation, or other disposition of highly inflammable materials and rubbish, gunpowder, dynamite, crude petroleum or any of its products, explosive or inflammable liquids or compounds, tablets, torpedoes, or any explosives of a like nature, or any explosive, including fireworks and fire crackers and to prescribe the materials and construction of receptacles to be used for the storage of any of said items; and to investigate or cause to be investigated the cause, origin, and circumstances of every fire occurring within the District by which property is destroyed or damaged and, so far as possible, determine whether the fire was the result of carelessness or design.

Board of Directors

The District is governed by a board of directors which, pursuant to the Special District Act, consists of five members. The members must be eligible electors of the District as defined by State law and are elected to staggered four-year terms of office at successive biennial elections. Vacancies on the Board are filled by appointment of the remaining directors, the appointee to serve until the next regular special district election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. The directors hold regular meetings, which currently occur on the fourth Wednesday of each month, and, as needed, special meetings. Each director is entitled to one vote on all questions before the Board when a quorum is present. Directors may receive a maximum of \$ \$2,400 per year as compensation for service to the District, payable not in excess of \$100 per meeting attended. Directors may not receive compensation from the District as employees of the District, except as provided above.

The present directors, their positions on the Board, principal occupations, and terms of office are as follows:

<u>Name</u>	<u>Title</u>	<u>Occupation</u>	<u>Term Expires</u>
Alan L. Lambert	Chairman/President	Community Service Officer, Rifle PD	2027
Addy Bristol	Vice President	RETAC Coordinator	2029
Richard L. Miller	Secretary	Retired	2029
Adria Milton-Baker	Treasurer/Secretary	Retired	2027
Paige Haderlie	Director/Assistant Secretary	Owner Property Professionals/Realtor	2027

The Colorado constitution limits board members to two consecutive terms (beginning with terms that commenced after January 1, 1995). District voters may vote to eliminate, extend or change the term limits imposed by the constitution.

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest on personal or private interests which are proposed or pending before the Board. Additionally, no contract for work or material including a contract for services, regardless of the amount, shall be entered into between the District and a board member, or between the District and the owner of 25% or more of the territory within the District, unless a notice has been published for bids and such board member or owner submits the lowest responsible and responsive bid.

Administration

The principal administrative official of the District involved in issuance of the Certificates is as follows:

Fire Chief. The Fire Chief is the administrative head of the District and is responsible to the Board for the proper administration and execution of all affairs of the District.

Chief Leif Sackett was sworn in as the District's Fire Chief on December 12, 2020. Chief Sackett started his career as a volunteer firefighter in 1999 in eastern Colorado with the Cope Fire Protection District. In 2006, Chief Sackett was hired by the Rifle Fire Protection District, where he served through the 2012 merger with the Burning Mountains Fire Protection District, helping shape the department that is now Colorado River Fire Protection District. Chief Sackett has served as Fire Chief of the District for the past five years.

Employees; Benefits and Pension Matters

Employees. The District currently budgets for approximately 39 full-time Operations Division 911 Response Personnel, 7 full-time Wildland Division Personnel, 13 full-time Administration Division Personnel, 2 part-time Operations Division Personnel, 1 Volunteer, and 13 Seasonal Wildland Division Personnel. According to the District, the state of employee relations is good.

Benefits and Pension Matters. The District participates in the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). See Note 9.

The District offers other post-employment benefits (“OPEB”), as follows: it contributes to the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by 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 statute and generally allow for benefits upon the death or disability of a plan member prior to retirement. Any decision regarding whether the employer or member contributes to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the District. The District also participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74 and is administered by the Public Employees’ Retirement Association of Colorado (“PERA”).

The District maintains four separate pension and retirement plans consisting of the Rifle 7306-5 Volunteer Plan, the Burning Mountains 7247-5 Volunteer Plan, the FPPA Plan and the PERA Plan. The District also maintains deferred compensation plans for full-time and part-time, temporary and seasonal employees. Detailed information regarding the District’s pension plans is found in Note 8 to the audited financial statements attached hereto as Appendix A.

District Insurance Coverage

The Board acts to protect the District against loss and liability by maintaining the following insurance coverage: general liability, property and portable equipment, crime, management liability, automobile and excess liability. The District purchases insurance from a commercial entity and pays annual premiums. The current policy expires on January 1, 2027. In the opinion of the Fire Chief, the District’s insurance policies provide adequate insurance protection for the District. However, there is no assurance that such policies will be adequate, or that coverage will be maintained in the current amounts.

District Agreements

On December 14, 2013, BMFPD and RFPD entered into an Intergovernmental Agreement for The Realignment of Jurisdictional Boundaries And Dissolution of Rifle Fire Protection District (the “Realignment IGA”) by which terms BMFPD and RFPD would effectuate their merger into a single, unified fire protection district, terminating the Authority, and dissolving RFPD. Pursuant to the Realignment IGA, on January 3, 2014, the Garfield County District Court issued an order changing the name of BMFPD to “Colorado River Fire Protection District.” On August 27, 2014 the Garfield County District Court issued an order dissolving RFPD and transferring jurisdiction over all real property within the RFPD’s boundaries (except two residential properties) to the District, which order was recorded on August 29, 2014 under Reception Number 853163.

DISTRICT FINANCIAL OPERATIONS

Budget and Appropriation Process

The District operates on a calendar year basis. The Fire Chief is required to prepare and submit to the Board of Directors, not less than 75 days prior to the beginning of the fiscal year, a budget with accompanying explanation. The budget must provide a complete financial plan of all District funds activities for the ensuing fiscal year, and, except as required by law, and must be in such form as the Fire Chief deems desirable or as the Board of Directors may require. The budget must contain a general summary of its contents and must show comparative figures for income and expenditures of the preceding fiscal year.

A public hearing on the proposed budget is required to be held the Board of Directors before the final adoption. Notice of the time and place of such hearing is required to be posted, and such notice must be published at least one time in a newspaper of general circulation within the District's jurisdiction. The notice must state that the proposed budget is on file in the District's administrative offices. After the public hearing, the Board of Directors may adopt the budget with or without amendment. In amending the budget, the Board of Directors may add or increase programs or amounts and may delete or decrease programs or amounts, except expenditures required by law or for debt service or for estimated deficits.

The Board of Directors must adopt the budget by Resolution on or before December 15 of each year. Adoption of the budget by the Board of Directors constitutes appropriation of the amounts specified therein as expenditures from the funds indicated.

During the fiscal year, the Board of Directors, by Resolution, may make supplemental appropriations for unanticipated revenues or expenditures. To meet a public emergency affecting public health, peace, welfare, safety or property the Board of Directors may make emergency appropriations. To the extent that there is no available unappropriated revenue to meet such appropriations, the Board of Directors may, by emergency Resolution, authorize the issuance of short-term notes.

If at any time during the fiscal year it appears probable to the Fire Chief that the revenue available will be insufficient to meet the amount appropriated, he shall report to the Board of Directors without delay, indicating the estimated amount of the deficit, any remedial action taken, and the recommendation as to any other steps to be taken. The Board of Directors must then take such further action as it deems necessary to prevent or minimize any deficit, and for that purpose may, by ordinance, reduce one or more appropriations.

Any time during the fiscal year, upon written request, the Fire Chief may transfer part or all of any unencumbered appropriation balance among programs within a fund. No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated, or by more than the amount of the unencumbered balance thereof.

Emergency appropriations and reduction or transfer of appropriations may be made effective immediately upon adoption.

District Financial Statements

General. State law requires an annual independent audit of all of the District's accounts. Pursuant to State law, a draft of the audit is required to be submitted to the District's Board of Directors by June 30 of each year. The "Colorado Local Government Audit Law" requires that the audited financial statements must be filed with the State auditor within 30 days of receipt of the audit. Failure to comply with this

requirement to file an audit report may result in the withholding of the District’s property tax revenues (if any) by the County Treasurer pending compliance.

The District’s audited basic financial statements for the year ended December 31, 2024, are attached to this Official Statement as Appendix A. Those financial statements represent the most current audited financial information available for the District.

Funds and Accounts; District Revenues

General. The General Fund is the general operating fund of the District and is used to account for operations traditionally associated with a fire district and which are not required to be accounted for in another fund. In the General Fund, portions of the ending fund balance in each year are reserved and not available for use. Fund reservations that are considered non-spendable include inventory and prepayments. The District has a category within the fund balance called “restricted”; that category includes debt reserves and the emergency reserve required by Article X, Section 20 of the State Constitution (“TABOR”). “Committed” fund balance includes items that can only be used for a specific purpose determined by formal action of the Board of Directors. “Assigned” fund balance includes other items that are restricted, but do not fall into one of the other categories and this includes amounts appropriated for use in subsequent years’ budgets, Fiscal Policy Reserve, and other donations. The Board of Directors’ current General Fund Fiscal Policy requires that unappropriated contingency and emergency reserves equal 25% of General Fund prior annual expenditures less transfers out.

The sources of revenue in the General Fund include: property tax, specific ownership taxes, grant revenues, charges for services, permit fees, rental income, insurance reimbursement, interest and miscellaneous other income.

Property tax revenues comprise the majority of the District’s General Fund revenues, accounting for approximately 70.9% of General Fund revenues in fiscal year 2024. Other than Wildland and hazard revenues which accounted for approximately 20% of General Fund revenues in fiscal year 2024, no other single revenue source accounted for more than 10% of General Fund revenues in 2024. Information regarding the imposition, collection and enforcement of the District’s Property Tax is discussed in “CURRENT SOURCES OF AVAILABLE REVENUE—Ad Valorem Property Taxes—*Property Tax Collections.*”

DISTRICT DEBT STRUCTURE

The following is a general discussion of the District’s authority to incur general obligation indebtedness and other financial obligations and the amount of such obligations currently outstanding.

Required Elections

Pursuant to the State law, the District may borrow money and issue the following or other like securities to evidence such borrowing: (a) short-term notes; (b) general obligation securities; (c) revenue securities; (d) refunding securities; and (e) long-term leases.

Notwithstanding the foregoing, general obligation indebtedness and other obligations of the District must be incurred in accordance with State law, including the requirements of TABOR. TABOR requires that, with certain exceptions, the District must obtain voter approval in advance for the creation of any multiple-fiscal year direct or indirect debt or other financial obligations whatsoever, unless adequate cash reserves are irrevocably pledged and held to make required payments in all future fiscal years. The District’s obligation to pay rent under the Lease is subject to annual appropriation by the Board, and therefore the

Lease does not constitute a “multiple-fiscal year direct or indirect debt or other financial obligation” within the meaning of TABOR. See “LEGAL MATTERS—Certain Constitutional Limitations.”

General Obligation Debt

General. “Debt” or “indebtedness” as used in this Official Statement means, generally, obligations backed by the full faith and credit of the District and secured by the unlimited power to levy ad valorem property taxes of the District. Debt refers only to principal amounts and not to the interest to become due thereon. Debt does not include debt that has been refinanced, obligations arising upon a contingency or obligations which do not extend beyond the fiscal year in which they were incurred.

Authority to Issue Bonds. State law provides that the District may not issue bonds payable in wholly or in part out of general property taxes or to which the full faith and credit of the District are pledged until the question of its issuance shall have been approved by a majority of the qualified electors of the District voting at a special or general election.

General Obligation Debt Outstanding. The District currently has no general obligation debt outstanding.

Short Term Borrowing

The District may issue short-term notes without an election which, pursuant to TABOR, must mature before the close of the Fiscal Year in which the money is borrowed, in anticipation of the collection of taxes or other revenues. No short-term borrowing has been requested or authorized in the last five years.

Capital Lease Obligations

On October 1, 2006, the District entered into an agreement to lease space at their Interagency Fire Station to another organization for a 20-year term ending on October 30, 2026. The District receives annual payments at an interest rate determined using the risk-free rate (20-year treasury rate) of 2.05%. For the year ended December 31, 2024, the District recorded \$25,795 in lease revenue and \$1,174 in lease interest.

Other Obligations

The District currently has no other outstanding obligations, however, the District is considering securing a bank loan for the purchase of a fire engine, in an amount less than \$1,000,000.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the District. It is intended only to provide prospective investors with general information regarding the District’s community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

Population and Age Distribution

The following table sets forth the estimated population statistics for Garfield County and the State.

Year	<u>Population</u>			
	Garfield County		Colorado	
	Population	Percent Change	Population	Percent Change
1970	14,965	--	2,224,610	--
1980	23,000	53.7%	2,908,036	30.7%
1990	30,338	31.9	3,303,377	13.6
2000	44,239	45.8	4,338,785	31.3
2010	56,150	26.9	5,050,332	16.3
2020	61,799	10.1	5,786,877	14.5
2021	62,103	0.5	5,813,551	0.4
2022	62,371	0.4	5,850,121	0.6
2023	62,864	0.8	5,900,420	0.8
2024	63,174	0.5	5,956,729	0.9
2025 ⁽¹⁾	63,220	0.1	5,989,886	0.5

⁽¹⁾ Projected

Sources: Colorado Department of Local Affairs, State Demography Office (1970-2024, subject to periodic revision).

The following table sets forth an age profile for Garfield County, the State and the United States as of December 31, 2025.

Age	<u>Age Distribution</u>	
	Percent of Population	
	Garfield County	Colorado
0-17	23.4%	20.6%
18-24	7.7	9.3
25-34	14.2	14.9
35-44	14.4	14.6
45-54	12.6	12.2
55-64	11.0	11.2
65-74	9.8	10.0
75 and Older	6.5	6.9

Source: Colorado Department of Local Affairs, State Demography Office (2025 projected, subject to periodic revision).

Income

The following table sets forth annual per capita personal income levels for the Garfield County, the State, and the United States.

<u>Per Capita Personal Income⁽¹⁾</u>			
Year	Garfield County	Colorado	United States
2019	\$58,064	\$61,278	\$57,865
2020	58,926	64,671	59,744
2021	62,077	71,676	64,129
2022	66,646	76,544	64,644
2023	71,629	79,246	65,589
2024	--	82,705	--

⁽¹⁾ All figures are subject to periodic revisions. Most recent figures available.

Source: United States Department of Commerce, Bureau of Economic Analysis. FRED Economic Data - US Regional Data

Employment

The following table presents information on employment within Garfield County, and the State for the time period indicated.

<u>Year</u>	<u>Garfield County</u>		<u>Colorado</u>	
	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Labor Force</u>	<u>Percent Unemployed</u>
2019	34,046	2.5%	3,102,912	2.7%
2020 ⁽¹⁾	33,143	6.0	3,079,767	6.8
2021 ⁽¹⁾	32,119	4.9	3,146,263	5.5
2022	32,260	3.0	3,184,962	3.1
2023	32,994	3.0	3,231,187	3.3
2024	33,999	3.6	3,267,766	4.3
2025	33,718	3.2	3,267,766	4.0
2026 ⁽²⁾	32,938	2.8	3,215,579	3.9

⁽¹⁾ As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially in 2020 and 2021.

⁽²⁾ Labor force averages as of April, 2026.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Labor Force Data.

The following table sets forth the number of individuals employed within selected industries in Garfield County which are covered by unemployment insurance.

Average Number of Employees Within Selected Industries – Garfield County

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Agriculture, Forestry and Fisheries	184	170	225	200	168	133
Mining	798	713	805	863	934	892
Utilities	287	298	295	304	321	322
Construction	3,177	3,303	3,554	3,682	3,827	3,949
Manufacturing	361	357	334	349	379	391
Wholesale Trade	577	545	506	547	515	501
Retail Trade	3,074	3,074	3,059	3,142	3,140	3,152
Transportation & Warehousing	637	653	636	639	616	689
Information	206	227	273	305	297	214
Finance and Insurance	534	541	542	543	537	569
Real Estate, Rental and Leasing	604	627	637	677	699	539
Professional & Technical Services	1,239	1,322	1,373	1,421	1,450	1,528
Management of Companies/Enterprises	151	169	209	195	196	192
Administration & Waste Services	1,140	1,183	1,174	1,190	1,183	1,340
Educational Services	2,538	2,632	2,693	2,796	2,876	3,059
Health Care & Social Assistance	3,497	3,523	3,466	3,679	3,963	4,051
Arts, Entertainment & Recreation	559	676	695	741	774	676
Accommodation & Food Services	2,741	2,951	3,049	3,093	3,092	2,878
Other Services	684	754	772	777	868	889
Public Administration	1,742	1,721	1,740	1,832	1,903	1,846
Unclassified	==	==	4	8	2	19
Total ⁽¹⁾	<u>24,730</u>	<u>25,439</u>	<u>26,041</u>	<u>26,983</u>	<u>27,740</u>	<u>27,829</u>

⁽¹⁾ Figures may not equal totals when added, due to the rounding of averages.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

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The following table sets forth major employers in the Garfield County. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employers in Garfield County.

Employer	Product or Service	Employee Range ⁽¹⁾
Valley View Hospital	Healthcare	500-999
Grand River Health	Healthcare	500-999
Grand River Hospital District	Healthcare	500-999
Garfield RE-2 School District	School	500-999
Garfield RE-1 School District	School	500-999
Colorado Mountain College	School	500-999
Garfield County	Government	500-999
City Market	Retail	250-499
Walmart	Retail	250-499
Garfield 16 School District	School	100-249
City of Glenwood Springs	Government	100-249

⁽¹⁾ The State of Colorado is not legally permissible to report the exact number of employees by employer. Instead they provide the number of employees of each within a range.
Source: Garfield County, Colorado Annual Comprehensive Report

Retail Sales

Annual retail sales figures for Garfield County and the State are set forth below.

Retail Sales

Year	Garfield County	Percent Change	Colorado	Percent Change
2020	\$316,729,000	--	\$28,798,162,000	--
2021	363,291,204	14.7%	33,345,257,022	15.7%
2022	406,260,677	11.8	35,074,786,553	5.1
2023	425,757,024	4.7	34,360,413,284	(2.0)
2024	451,125,580	5.9	35,362,538,739	2.9
2025	483,906,664	7.2	36,701,167,753	3.7
2026 ⁽¹⁾	345,374,366	(2.8)	22,173,518,569	(3.9)

⁽¹⁾ As of February, 2026.

Source: State of Colorado, Department of Revenue, "Sales Tax Reports", 2020 to Date.

Building Permit Activity

The following table sets forth a history of building permits issued in Garfield County.

Building Permit Issuances in Garfield County

<u>Year</u>	<u>Permits</u>
2019	200
2020	252
2021	299
2022	265
2023	210
2024	513

Source: Garfield County Annual Comprehensive Financial Report years 2019-2024.

Foreclosure Activity

The following table sets forth data on the number of foreclosures filed in the Garfield County for the time period indicated. Such information does not take into account the number of foreclosures which were filed and subsequently redeemed or withdrawn.

History of Foreclosures – Garfield County

<u>Year</u>	<u>Number of Foreclosures Filed</u>	<u>Percent Change</u>
2019	58	--
2020 ⁽¹⁾	34	(41.3)%
2021 ⁽¹⁾	13	(61.7)
2022	69	43.0
2023	51	(26.0)
2024	37	(27.4)
2025	25	(32.4)
2026 ⁽²⁾	4	(84.0)

⁽¹⁾ The decrease in the number of foreclosures filed in 2020 and 2021 was the result of the State imposed restrictions in place regarding foreclosures.

⁽²⁾ Foreclosures filed through February 2, 2026.

Sources: Garfield County Public Trustee.

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TAX MATTERS

Federal Tax Matters

The following is a summary of certain material federal income tax consequences of the purchase, ownership and disposition of the Certificates for the investors described below and is based on the advice of Kline Alvarado Veio, P.C., as Special Counsel. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change. The discussion does not deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules, including, but not limited to, partnerships or entities treated as partnerships for federal income tax purposes, pension plans and foreign investors, except as otherwise indicated. Investors should consult their own tax advisors to determine the federal, state, local and other tax consequences of the purchase, ownership and disposition of Certificates.

General. In the opinion of Kline Alvarado Veio, P.C., Special Counsel, whose opinion is to be delivered at the time of original issuance of the Certificates, under existing laws, regulations, rulings and judicial decisions, the portion of the Base Rentals which is designated in the Lease and paid by the Trustee as interest on the Certificates (a) is excluded from gross income for federal income tax purposes and (b) is exempt from federal alternative minimum tax on individuals; interest on the Certificates that is included in the “adjusted financial statement income” of certain corporations is not excluded from the federal corporate alternative minimum tax.

The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Certificates to be excludible from gross income for federal tax purposes. The opinions set forth above are subject to continuing compliance by the District and others with such covenants. Failure to comply with such covenants could cause interest on the Certificates to be included in gross income retroactive to the date of issue of such Certificates.

Original Issue Premium. Certain of the Certificates may be offered at a premium (“original issue premium”) over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Certificate through reductions in the holder’s tax basis for the Certificate for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Holders should consult their tax advisers for an explanation of the amortization rules.

Original Issue Discount. Certain of the Certificates may be offered at a discount (“original issue discount”) equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a Certificate accrues periodically over the term of the Certificate as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder’s tax basis in the Certificate for determining taxable gain or loss upon sale or redemption prior to maturity. Holders should consult their tax advisers for an explanation of the accrual rules.

Exemption Under State Tax Law

In Special Counsel’s further opinion, interest on the Certificates is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates.

Changes in Federal and State Tax Law

From time to time there are legislative proposals in Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Certificates issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Certificates. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Certificates or the market value thereof would be impacted thereby. Purchasers of the Certificates should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Special Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Certificates and Special Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

The proposed form of the opinion to be rendered by Special Counsel with respect to the Certificates is set forth in “APPENDIX E – FORM OF OPINION OF SPECIAL COUNSEL.”

PROSPECTIVE PURCHASERS OF THE CERTIFICATES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE CERTIFICATES AS TO THE IMPACT OF THE FEDERAL TAX CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE CERTIFICATES.

FINANCIAL INSTITUTION INTEREST DEDUCTION

The Tax Code generally provides that a financial institution may not deduct that portion of its interest expense which is allocable to tax-exempt interest. The interest expense which is allocable to tax-exempt interest is an amount which bears the same ratio to the institution’s interest expense as the institution’s average adjusted basis of tax-exempt obligations acquired after August 7, 1986 bears to the average adjusted basis of all assets of the institution. Tax-exempt obligations may be treated as if acquired on August 7, 1986 (and therefore are not subject to this rule), if they are “qualified tax-exempt obligations” as defined in the Tax Code and are designated for this purpose by the District.

The District has designated the payments required under the Lease relating to the Certificates for this purpose; however, under provisions of the Tax Code dealing with financial institution preference items, certain financial institutions, including banks, are denied 20% of their otherwise allowable deduction for interest expense with respect to obligations incurred or continued to purchase or carry the Certificates. In general, interest expense with respect to obligations incurred or continued to purchase or carry the Certificates will be in an amount which bears the same ratio as the institution's average adjusted basis in the Certificates bears to the average adjusted basis of all assets of the institution.

Amendments to the Tax Code could be enacted in the future and there is no assurance that any such future amendments which may be made to the Tax Code will not adversely affect the ability of banks or other financial institutions to deduct any portion of its interest expense allocable to tax-exempt interest.

LEGAL MATTERS

Litigation

The District’s general counsel states that to the best of his knowledge, there are no pending lawsuits or claims that have been filed or threatened against the District in which an unfavorable decision, finding

or ruling would materially adversely affect the financial position of the District or its ability to enter into the Site Lease or the Lease or to pay Base Rentals under the Lease as set forth therein. The District's general counsel states that, as of the date hereof, to the best of his knowledge, there is no pending or threatened litigation which would restrain or enjoin the issuance of the Certificates, or the collection of any District revenues.

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the "Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; failure to perform an education employment required background check; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act for injuries occurring on or after July 1, 2013, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$350,000 for claims accruing before January 1, 2018, the sum of \$387,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, and the sum of \$424,000 for claims accruing on or after January 1, 2022, and before January 1, 2026; and (b) for any injury to two or more persons in any single occurrence, the sum of \$990,000 for claims accruing before January 1, 2018, except in such instance, no one person may recover in excess of \$350,000; the sum of \$1,093,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, except in such instance, no person may recover in excess of \$387,000; and the sum of \$1,195,000 for claims accruing on or after January 1, 2022, and before January 1, 2026, except in such instance, no person may recover in excess of \$424,000. Those amounts will increase four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index. The District may increase any maximum amount that may be recovered from the District for certain types of injuries. However, the District may not be held liable either directly or by indemnification for punitive or exemplary damages unless the District voluntarily pays such damages in accordance with State law. The District has not acted to increase the damage limitations in the Immunity Act.

The District may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and it generally cannot claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Approval of Certain Legal Proceedings

The approving opinion of Kline Alvarado Veio, P.C., as Special Counsel, will be delivered with the Certificates. A form of the Special Counsel opinion is attached to this Official Statement as Appendix E. Kline Alvarado Veio, P.C., Denver, Colorado, has also acted as Special Counsel to the District in

connection with this Official Statement. Certain matters will be passed upon for the District by the District's general counsel, Ireland Stapleton Pryor & Pascoe, P.C., Denver, Colorado.

Certain Constitutional Limitations

General. In 1992, the voters of Colorado approved a constitutional amendment which is codified as Article X, Section 20, of the Colorado Constitution (the Taxpayers Bill of Rights or "TABOR"). In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the District ("local governments"), but does not apply to "enterprises," defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

In 2002, the voters of the District approved a ballot issue to authorize the District to collect, retain and spend all revenue generated by its existing mill levy, which cannot be increased without voter approval, and from all other sources of revenue in excess of the limitations provided in TABOR for the general operations and capital construction. The District's management believes that it has legally removed itself from TABOR's revenue and spending limitations for such purposes. However, TABOR is complex and subject to future judicial interpretation.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption. Additional litigation may be commenced in the future seeking further interpretation of TABOR. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government's spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate. In the opinion of Special Counsel, based upon decisions of the Colorado appellate courts, the Lease does not constitute a "multiple fiscal year obligation" which requires an election under the terms of TABOR.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service can be paid without regard to any spending limits, assuming revenues are available to do so.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The District has set aside emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase-out requirements) to reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

Police Power

The obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the federal constitution, including bankruptcy.

INDEPENDENT AUDITORS

The financial statements of the District as of December 31, 2024, and for the year then ended, included herein as Appendix A, have been audited by Haynie & Company, certified public accountants, Littleton, Colorado, as stated in their report appearing herein.

The District will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. Haynie & Company, the District's independent auditor, has not been engaged to perform, and has not performed, since the date of its report, any procedures on the financial statements addressed in that report. Haynie & Company also has not performed any procedures relating to this Official Statement.

MUNICIPAL ADVISOR

The District has retained Ehlers and Associates, Inc., Minneapolis, Minnesota, as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Certificates. The Municipal Advisor is registered as a municipal advisor with both the Securities and Exchange Commission ("SEC") and the MSRB. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards and makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement.

The Municipal Advisor is affiliated with Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP"). BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the SEC. EIP assists issuers with the investment of bond proceeds or investing other issuer funds, including escrow bidding agent services. Issuers, such as the District, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the District under an agreement separate from the Municipal Advisor.

RATING

S&P Global Ratings ("S&P") has assigned the Certificates the rating shown on the cover page of this Official Statement. An explanation of the significance of any ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041.

Such rating reflects only the views of the rating agency, and there is no assurance that the rating will be obtained or will continue for any given period of time after obtained or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price or liquidity of the Certificates. Other than its responsibilities under the Continuing Disclosure Agreement, the District has not undertaken any responsibility to bring to the attention of the owners of the Certificates any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

UNDERWRITING

The District sold the Certificates at a public sale on June __, 2026, to [PURCHASER] (the “Initial Purchaser”) at a price \$_____ (which is equal to the par amount of the Certificates, [plus reoffering premium of \$_____], and less underwriting discount of \$_____).

No guarantee can be made that a secondary market for the Certificates will develop or be maintained by the Initial Purchaser of the Certificates or by others. Thus, prospective investors should be prepared to hold their Certificates to maturity.

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OFFICIAL STATEMENT CERTIFICATION

The preparation of this Official Statement and its distribution has been authorized by the District. This Official Statement is hereby duly approved by the District as of the date on the cover page hereof.

COLORADO RIVER FIRE PROTECTION DISTRICT,
GARFIELD COUNTY, COLORADO

By: /s/ Alan L. Lambert
President of the Board of Directors

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APPENDIX A

**AUDITED BASIC FINANCIAL STATEMENTS OF THE
DISTRICT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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COLORADO RIVER FIRE PROTECTION DISTRICT

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITORS' REPORT

December 31, 2024





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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Colorado River Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado River Fire Protection District (the "District") as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2024, 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 District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 District's ability to continue as a going concern for twelve months beyond the financial statement date including any currently known information that may raise substantial doubt shortly thereafter.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary schedule and pension information be presented to supplement the basic financial statements. Such information, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Sincerely,

Haynie & Company

Littleton, Colorado

July 8, 2025

Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2024

The discussion and analysis of the Colorado River Fire Protection District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$32,381,576 at December 31, 2024.
- Total District's cash and investments increased by \$3,262,659 or 32.14% from 2023.
- The December 31, 2024 General Fund balance is \$3,490,135 more than the previous year fund balance. The total fund balance is 66% of 2024 General Fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at the District's specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net position related to each department of the District. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS

A. Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the District's net position and the changes in those assets. This change in position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as changes in the District's tax base and the condition of District capital assets will also need to be evaluated.

Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2024

In the Statement of Net Position and Statement of Activities, the District's activities are reported as Governmental Activities.

B. 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 District, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the District are presented as a special purpose government engaged only in governmental type activities providing fire protection services to District residents.

The District's Fund statements include:

The *Balance Sheet* presents information on all of the District's assets and liabilities, with the difference between the two reported as fund balance. Over time, increases or decreases in assets and liabilities may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenditures and Changes in Fund Balances* presents information which reflects how the District's fund balances changed during the past year. All changes in assets and liabilities are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statements for some items that will only result in cash flows in future fiscal periods.

C. Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 6-47 of this report.

D. Required Supplementary Information and Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons presented for legal compliance.

REPORTING THE DISTRICT AS A WHOLE

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2024**

The following table provides a summary of the District's net position for 2023 and 2024:

	2023	2024
Assets		
Current and other assets	\$ 23,496,320	\$ 25,112,110
Net pension assets	2,626,542	2,934,366
Capital assets	12,566,802	12,570,613
Total assets	38,689,664	40,617,089
Deferred Outflows of Resources	4,019,200	3,748,310
Liabilities		
Current and other liabilities	883,941	1,132,979
Long-term liabilities	1,300,610	662,729
Total liabilities	2,184,551	1,795,708
Deferred Inflows of Resources	13,993,911	10,188,115
Net Position		
Investment in capital assets	12,566,802	12,570,613
Restricted	3,022,144	3,548,448
Unrestricted	10,941,456	16,262,515
Total net position	\$ 26,530,402	\$ 32,381,576

A significant portion of the District's position represents unrestricted net position of \$16,262,515 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$3,548,448 of the District's net position represents resources that are subject to external restrictions on how they may be used. This is for the TABOR emergency reserve and pension benefits.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2024**

The following table indicates the changes in net position for 2023 and 2024:

**Statement of Activities
December 31**

Revenue	2023	2024
Program revenues		
Charges for services	\$ 4,212,540	\$ 5,156,580
Capital grants and contributions	111,513	180,701
General revenues		
General property taxes	7,730,339	13,067,633
Specific ownership tax	504,726	770,046
Investment earnings	539,898	762,297
Other taxes	75,437	647,472
Other income	123,778	65,376
Total revenue	13,298,231	20,650,105
Expenses		
Administration	8,537,282	10,430,684
Fire protection/EMS services	3,558,261	4,368,247
Total expenses	12,095,543	14,798,931
Change in Net Position	\$ 1,202,688	\$ 5,851,174

District Revenue and Expense Analysis:

Revenues

District revenues as of December 31, 2024 increased by \$7,351,874, over the year ended December 31, 2023. This change in revenue is mostly driven by an increase in property tax revenues along with an increase in Wildland revenues as the District experienced more deployments in the current year.

Expenditures/Expenses

District expenditures/expenses as of December 31, 2024 increased by \$2,703,388 compared to the year ended December 31, 2023. This change in expenditures is mostly driven by increased salary and pension expenses due to more staff and more Wildland deployments in the current year.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of December 31, 2024, the District's governmental funds reported a combined fund balance of \$15,028,272, which is an increase of \$5,096,504 or 34% over the prior year.

The General Fund, which is the chief operating fund of the District and is always considered a major fund, had an increase in fund balance of \$3,490,135 from \$6,366,804 to \$9,856,939. This increase is mainly related to (a) an increase in property tax revenues of \$5,337,294 and an increase in wildland deployment revenue of \$1,288,392 (b) salary and pension expenses increased by \$2,526,258 as a result of increased staff and the number of deployments for wildland. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,156,940.

The Capital Projects Fund, the District's other major fund, had an increase in fund balance of \$1,606,369 from \$3,564,964 to \$5,171,333. The increase is due to transfer of monies from the general fund of \$2,100,000, offset by capital outlay expenditures of \$715,103.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's annual budgets are prepared according to Colorado law and they are based on accounting for certain transactions on a basis of cash receipts and disbursements. During the year, additional revenues increased by \$3,655,988 and additional expenditures increased by \$385,855 from the original budget to the final budget in the General Fund. The increase in these additional revenues and expenditures is primarily attributed to higher-than-projected wildland revenue and interest income along with increases in wildland deployments and the related deployment overtime and reimbursable deployment expenses in the current year.

Additional information on the District's detailed budget can be found in page 48 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District's investment in capital assets at December 31, 2024 amounts to \$12,570,613 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishings.

Additional information on the District's capital assets can be found in Note 6 of this report.

During the year ended December 31, 2024, the District had compensated absences payable of \$679,639.

Additional information on the District's debt can be found in Note 7.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2024**

ECONOMIC FACTORS AND OTHER MATTERS

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2025 budget:

- A decrease in anticipated general property tax collection for 2025 due to a decrease in the net assessed valuation and mill levy for the District.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District, 1850 Railroad Ave., Rifle, Colorado 81650.

Basic Financial Statements

Colorado River Fire Protection District
Statement of Net Position
December 31, 2024

Assets	Governmental Activities
Cash and cash equivalents	\$ 967,454
Investments	12,445,709
Property taxes receivable	9,606,338
Accounts receivable, net	1,979,884
Lease receivable	26,808
Prepaid expenses	85,917
Noncurrent assets	
Capital assets, nondepreciable	2,194,034
Capital assets, depreciable, net	10,376,579
Net pension asset	2,934,366
Total assets	<u>40,617,089</u>
Deferred Outflows of Resources	
Deferred outflows related to pension	3,743,480
Deferred outflows related to OPEB	4,830
Total deferred outflows of resources	<u>3,748,310</u>
Total assets and deferred outflows of resources	<u>\$ 44,365,399</u>
Liabilities	
Accounts payable	\$ 36,945
Accrued payroll	387,021
Compensated absences	679,639
Advance deposits - training consortium	29,374
Noncurrent liabilities	
Net pension liability	647,377
Net OPEB liability	15,352
Total liabilities	<u>1,795,708</u>
Deferred Inflows of Resources	
Property taxes	24,160
Deferred inflows related to leases	9,606,338
Deferred inflows related to pension	541,805
Deferred inflows related to OPEB	15,812
Total deferred inflows of resources	<u>10,188,115</u>
Net Position	
Investment in capital assets	12,570,613
Restricted for TABOR emergencies	614,082
Restricted for pension benefits	2,934,366
Unrestricted	16,262,515
Total net position	<u>32,381,576</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 44,365,399</u>

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

Colorado River Fire Protection District
Statement of Activities
For the Year Ended December 31, 2024

Functions/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental activities				
Administration	\$ 10,430,684	\$ -	\$ -	\$ (10,430,684)
Fire protection/EMS services	<u>4,368,247</u>	<u>5,156,580</u>	<u>180,701</u>	<u>969,034</u>
Total governmental activities	<u>\$ 14,798,931</u>	<u>\$ 5,156,580</u>	<u>\$ 180,701</u>	<u>\$ (9,461,650)</u>
General revenues:				
Property taxes				13,067,633
Specific ownership taxes				770,046
Other taxes				647,472
Investment earnings				762,297
Other income				<u>65,376</u>
Total General revenues				<u>15,312,824</u>
Change in net position				5,851,174
Net position - beginning of year				<u>26,530,402</u>
Net position - end of year				<u>\$ 32,381,576</u>

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

Colorado River Fire Protection District
Governmental Funds Balance Sheet and
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2024

	General Fund	Capital Projects	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 942,762	\$ -	\$ 942,762
Investments	7,245,456	5,200,253	12,445,709
Cash with County	24,692	-	24,692
Receivables			
Accounts receivable, net	1,979,884	-	1,979,884
Property taxes receivable	9,606,338	-	9,606,338
Lease receivable	26,035	-	26,035
Accrued lease interest	773	-	773
Prepaid expenses	85,917	-	85,917
Due (to) from funds	28,920	(28,920)	-
Total assets	<u>\$ 19,940,777</u>	<u>\$ 5,171,333</u>	<u>\$ 25,112,110</u>
Liabilities			
Accounts payable and accrued liabilities	36,945	-	36,945
Advance deposits - Training consortium	29,374	-	29,374
Accrued payroll	387,021	-	387,021
Total liabilities	<u>453,340</u>	<u>-</u>	<u>453,340</u>
Deferred Inflows of Resources			
Deferred revenue—property taxes	9,606,338	-	9,606,338
Deferred inflows related to leases	24,160	-	24,160
Total deferred inflows of resources	<u>9,630,498</u>	<u>-</u>	<u>9,630,498</u>
Fund Balances			
Nonspendable			
Prepaid expenses	85,917	-	85,917
Restricted for:			
TABOR emergencies	614,082	-	614,082
Assigned for:			
Capital reserve	-	5,171,333	5,171,333
Unassigned	9,156,940	-	9,156,940
Total fund equity	<u>9,856,939</u>	<u>5,171,333</u>	<u>15,028,272</u>
Total liabilities, deferred inflows of resources and fund equity	<u>\$ 19,940,777</u>	<u>\$ 5,171,333</u>	<u>\$ 25,112,110</u>
Fund Balances - Total Governmental Funds	\$ 9,856,939	\$ 5,171,333	\$ 15,028,272
Amounts reported for governmental activities in the statement of net position are excluded from the governmental fund balance because:			
Capital assets used in governmental activities are not current financial resources and are excluded from the funds.			
Governmental capital assets			12,570,613
Less accumulated depreciation			(12,570,613)
Deferred outflows are not current assets or financial resources; and deferred inflows are not due and payable in the current period and therefore are not reported in the fund balance sheet.			
Deferred outflows related to pension			3,743,480
Deferred outflows related to OPEB			4,830
Deferred inflows related to pension			(541,805)
Deferred inflows related to OPEB			(15,812)
Some assets and liabilities, including net pension asset, net pension liability and compensated absences are not available or due and payable in the current period and therefore are not reported in the fund balance sheet.			
Net pension asset			2,934,366
Net pension liability			(647,377)
Net OPEB liability			(15,352)
Compensated absences			(679,639)
Net position of governmental activities			\$ 32,381,576

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

Colorado River Fire Protection District
Statement of Revenues, Expenditures,
and Changes in Fund Balances- Governmental Funds
December 31, 2024

	General Fund	Capital Projects	Total Governmental Funds
Revenues			
Taxes	\$ 14,485,151	\$ -	\$ 14,485,151
EMS charges for services, net	1,020,190	-	1,020,190
Wildland and hazard	4,123,223	-	4,123,223
Service income	13,167	-	13,167
Interest	590,825	171,472	762,297
Grant	130,701	50,000	180,701
Other income	65,376	-	65,376
Total Revenues	20,428,633	221,472	20,650,105
Expenditures			
General Overhead:			
Salaries and benefits expense	10,430,684	-	10,430,684
Pensions / retirement expense	1,299,878	-	1,299,878
Insurance	363,167	-	363,167
Computer, equipment and software expense	182,999	-	182,999
Station expenses	240,543	-	240,543
Treasurer and tax fees	346,718	-	346,718
Professional service fees	190,608	-	190,608
General overhead	105,252	-	105,252
Health and wellness expenses	100,897	-	100,897
Recruitment and assessment expense	33,844	-	33,844
Staff appreciation expense	12,951	-	12,951
Strategic planning expense	7,946	-	7,946
Staff development and conference	12,950	-	12,950
Board of Directors expense	6,200	-	6,200
Banking and merchant fees	1,021	-	1,021
Community appreciation expense	3,417	-	3,417
Community cares expenses	2,396	-	2,396
Honor guard expense	1,276	-	1,276
Volunteer benefits	765	-	765
Miscellaneous	84	-	84
Operations:			
Operations expense	1,125,898	-	1,125,898
Vehicle and apparatus expense	230,995	-	230,995
Operational training expense	119,031	-	119,031
Fire prevention and education expense	14,433	-	14,433
Training center / grounds expense	4,545	-	4,545
Capital Outlay	-	715,103	715,103
Total Expenditures	14,838,498	715,103	15,553,601
Excess of Revenues and Other Financing Sources			
Over (Under) Expenditures and Other (Uses)	5,590,135	(493,631)	5,096,504
Other Financing Sources			
Transfer from (to) other funds	(2,100,000)	2,100,000	-
Total other financing sources (uses)	(2,100,000)	2,100,000	-
Net change in fund balances	3,490,135	1,606,369	5,096,504
Fund balances:			
Beginning of the year	6,366,804	3,564,964	9,931,768
End of the year	\$ 9,856,939	\$ 5,171,333	\$ 15,028,272

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

Colorado River Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
December 31, 2024

Net change in fund balance—total governmental funds \$ 5,096,504

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Current year depreciation	(711,292)
Capital outlay- capitalized portion	715,103

Compensated absences not payable from current resources are not reported as expenditures in the current year. In the Statement of Activities these costs represent expenses of the current year.

Current year increase in accrued compensated absences	(121,859)
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Changes in net pension and OPEB assets, liabilities, deferred outflows and deferred inflows do not use current financial resources and are excluded from the funds.

Pension	865,506
OPEB	<u>7,212</u>

Change in net position of governmental activities	<u><u>\$ 5,851,174</u></u>
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The accompanying notes are an integral part of these financial statements.

Colorado River Fire Protection District

Notes to Financial Statements

December 31, 2024

1. Definition of Reporting Entity

Colorado River Fire Protection District (the “District”), located in Garfield County, Colorado, is organized pursuant to provisions set forth in the Colorado Special District Act. The governing body consists of a five-member Board of Directors which is elected by the registered voters within the District. The objective of the District is to provide for the preservation of life and protection of property from and during such fires and/or other emergencies as may occur within the fire protection district. In December 2013, the District combined the boundaries of Rifle Fire Protection District and Burning Mountains Fire Protection District and all of Rifle Fire Protection District’s and Burning Mountains Fire Protection District’s assets and liabilities were transferred to Colorado River Fire Protection District.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent, i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District, or are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

The District is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

The financial statements of the Colorado River Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements report detailed information about the District. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

General Fund

The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue sources are local property taxes, charges for services and wildland and hazard. Expenditures include all costs associated with the daily operations of the District.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Capital Projects Fund

The Capital Projects Fund is the District's capital outlay fund and is used to account for major capital outlay purchases. The major revenue sources are interest earned, grants and transfers from the general fund. Expenditures include all costs associated with the purchase of major capital outlay.

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

Budgets and Budgetary Accounting

The District's Board of Directors follow these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the administrator submits to the District's Board of Directors a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain the taxpayers' comments.

Prior to December 15, the budget is legally enacted through passage of a resolution.

Formal budgetary integration is employed as a management control device during the year.

A budget is adopted for the General Fund and Capital Projects Fund. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Appropriations lapse at the end of each calendar year.

The District may authorize supplemental appropriations during the year.

In the current year, actual expenditures in the General Fund were in line with budgeted appropriations and in the Capital Fund actual expenditures were less than budgeted appropriations.

Property Taxes

Property taxes are levied on December 22 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, in that the District's experience indicates that all material amounts will be collected and paid to the District.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, trails, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2004. Infrastructure prior to 2004 was not capitalized. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Equipment	5 - 15 years
Infrastructure	7 - 50 years

Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources.

Leases

The District is a lessor for a noncancellable lease of property. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements related to this lease.

At the commencement of a lease the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the lease term.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Net Position and Fund Balance

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 District, which are not restricted for any project or other purpose. A deficit will require future funding.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District 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.

The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget.

Compensated Absences

Full-time employees of the District are allowed to accumulate unused paid time off. Upon termination of employment with the District, an employee is compensated for all accrued paid time off at the current rate of pay if these benefits have matured. Part-time, seasonal and temporary employees are allowed to accumulate unused sick leave. All accrued but unused sick leave is forfeited upon termination of employment.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods, and a deferred inflow of resources represents an acquisition of net assets that applies to future periods. Both deferred outflows and inflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues and expenses until the period to which they relate.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Standards

Effective for the fiscal year ending December 31, 2024, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This statement supersedes GASB Statement No. 16 and establishes a unified model for the recognition and measurement of all types of compensated absences, including vacation, sick leave, and other paid leave benefits. Under GASB 101, a liability for compensated absences is recognized if the leave is attributable to services already rendered, the leave accumulates, and it is more likely than not that the leave will be used or otherwise paid. The District has measured the liability for compensated absences using the pay rates in effect as of the financial statement date and considered relevant assumptions regarding the timing and likelihood of leave usage.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

The implementation of GASB 101 did not result in a material impact on the District’s financial statements. As such, no restatement of prior period balances was necessary.

3. Cash and Investments

Custodial Credit Risks – Deposits

Colorado state statutes govern the entity’s deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2024, the District had cash deposits with a bank balance of \$1,089,067 and a carrying balance of \$942,762. The District’s bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the District’s custodial banks under provisions of the Colorado Public Depository Act.

Summary of Cash

Cash and Cash equivalents	
Cash deposits in bank - General Fund	\$ 942,762
Cash with County	<u>24,692</u>
Total cash	<u>\$ 967,454</u>

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers’ acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

3. Cash and Investments (continued)

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

The District's investment policy is not more restrictive than State statutes. The District's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

As of December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Net Asset Value</u>
COLOTRUST	Weighted average under 60 days	\$ 12,445,709

The District invested 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 offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. The three portfolios differ in the types of the investments held, but all invest in investments allowed by Colorado statutes for local governments. COLOTRUST PRIME AND COLOTRUST PLUS+ invest in securities with a weighted average maturity of 60 days or less, while COLOTRUST EDGE invests in securities with a weighted average maturity of less than five years. 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 investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to be, and are not, registered with the SEC.

COLOTRUST's PRIME and PLUS+ funds are rated AAAM by Standard & Poor's rating service. The COLOTRUST EDGE fund is rated AAAs/S1 by FitchRatings rating service. As of December 31, 2024, all COLOTRUST balances held by the District were invested in COLOTRUST PLUS+. COLOTRUST records its investments at net asset value and the District records its investment in COLOTRUST at fair value. There are no unfunded commitments, the redemption frequency is daily for COLOTRUST PRIME and COLOTRUST PLUS+, and weekly for COLOTRUST EDGE. There is no redemption notice period.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

4. Property Taxes

Revenue Recognized in 2024

Local property taxes levied in 2023 and collected in 2024 were recognized as revenue in these financial statements as shown below:

	Assessed Valuation	Amount of Taxes		Collected	Percent Collected
		Mill Levy	Levied		
General Fund	\$ 1,180,945,110	11.102	\$ 13,110,853	\$ 13,067,633	99.7%

Property Taxes Receivable and Unearned Revenue

Local property taxes levied in 2024 but not collectible until 2025 are shown as property taxes receivable and deferred inflows of resources on the balance sheet in the amount of the assessed taxes.

	Assessed Valuation	Mill Levy	Estimated Percent Collectible	Property Taxes Receivable	Deferred Revenue
General Fund	\$ 865,279,920	11.102	100%	\$ 9,606,338	\$ 9,606,338

5. Lease Receivable

The District entered into an agreement to lease space at their Interagency Fire Station to another organization, on October 1, 2006 for a 20-year term ending on October 30, 2026. The District receives annual payments at an interest rate determined using the risk-free rate (20-year treasury rate) of 2.05%, since the incremental borrowing rate could not be determined. For the year ended December 31, 2024, the District recorded \$25,795 in lease revenue and \$1,174 in lease interest, which are included in Other Income. The lease receivable and related deferred inflow of resources as of December 31, 2024 was \$26,808 and \$24,160, respectively.

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Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

6. Capital Assets

The following table presents capital assets activity of the District for the year ended December 31, 2024:

	Balance December 31, 2023	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2024
Capital assets, not being depreciated:				
Land	\$ 2,194,034	\$ -	\$ -	\$ 2,194,034
Total capital assets, not being depreciated	<u>2,194,034</u>	<u>-</u>	<u>-</u>	<u>2,194,034</u>
Capital assets, being depreciated:				
Buildings	12,146,394	23,966	-	12,170,360
Equipment	2,940,502	691,137	-	3,631,639
Land improvements	<u>40,771</u>	<u>-</u>	<u>-</u>	<u>40,771</u>
Total capital assets, being depreciated	<u>15,127,667</u>	<u>715,103</u>	<u>-</u>	<u>15,842,770</u>
Less accumulated depreciation for:				
Buildings	(3,900,637)	(297,892)	-	(4,198,529)
Equipment	(813,491)	(413,400)	-	(1,226,891)
Land improvements	<u>(40,771)</u>	<u>-</u>	<u>-</u>	<u>(40,771)</u>
Total accumulated depreciation	<u>(4,754,899)</u>	<u>(711,292)</u>	<u>-</u>	<u>(5,466,191)</u>
Total capital assets, being depreciated, net	<u>10,372,768</u>	<u>3,811</u>	<u>-</u>	<u>10,376,579</u>
Capital assets, net	<u>\$ 12,566,802</u>	<u>\$ 3,811</u>	<u>\$ -</u>	<u>\$ 12,570,613</u>

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

Governmental activities:

Fire protection/EMS services	\$ 711,292
Total depreciation expense—governmental activities	<u>\$ 711,292</u>

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

7. Compensated Absences Payable

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

	Balance December 31, 2023	Additions	Retirements	Balance December 31, 2024	Due Within One Year
Governmental activities:					
Compensated absences*	\$ 557,780	\$ 121,859	\$ -	\$ 679,639	\$ 679,639
Total long-term liabilities	<u>\$ 557,780</u>	<u>\$ 121,859</u>	<u>\$ -</u>	<u>\$ 679,639</u>	<u>\$ 679,639</u>

* The change in compensated absences above is a net change for the year.

8. Pensions

The District currently maintains four (4) separate pension and retirement plans. The various plans are discussed in the below footnotes and cover paid participating firefighters, paid administrative personnel and all volunteer firefighters.

In the Statement of Net Position, all net pension liabilities and assets have been aggregated and reported as follows:

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Rifle 7306-5 volunteer plan	\$ 2,934,366	\$ -	\$ 558,776	\$ 350,877
Burning Mountains 7247-5 Volunteer Plan	-	448,771	613,410	151,193
FPPA Plan	-	-	2,444,982	39,531
PERA Plan	-	198,606	126,312	204
Totals	<u>\$ 2,934,366</u>	<u>\$ 647,377</u>	<u>\$ 3,743,480</u>	<u>\$ 541,805</u>

As of December 31, 2024, the deferred inflows and outflows of resources resulting from all pension plans are comprised as follows:

Deferred outflows of resources:

Difference between actual and projected investment earnings	\$ 1,451,761
Difference between actual and expected experience	833,489
Changes in assumptions	477,222
Changes in proportionate share	17,813
Contributions received after the measurement date	963,195
Total deferred outflows of resources	<u>\$ 3,743,480</u>

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

8. Pensions

Deferred inflows of resources:

Difference between actual and projected investment earnings	\$ 502,071
Difference between actual and expected experience	39,734
Total deferred outflows of resources	<u>\$ 541,805</u>

Deferred outflows of resources of \$963,195, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

2025	\$ 353,994
2026	609,140
2027	967,686
2028	50,456
2029	116,538
Thereafter	140,666
Total	<u>\$ 2,238,480</u>

The total pension plan expense for 2024 was \$41,346.

9. Statewide Retirement Plan—FPPA

State Fire and Police Pension Plan (FPPA)

The following information presented is from the Statewide Retirement Plan (SRP) GASB 68 report which has a measurement date of December 31, 2023.

Plan Description. The District participates in the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 230 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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

9. Statewide Retirement Plan—FPPA (continued)

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

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

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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

9. Statewide Retirement Plan—FPPA (continued)

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

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

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

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

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

9. Statewide Retirement Plan—FPPA (continued)

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Pension. At December 31, 2024, the District reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability as of December 31, 2023, is based upon the January 1, 2024, actuarial valuation. The actuarially determined contributions as of December 31, 2023, are based upon the January 1, 2023, actuarial valuation.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2023, the District's proportion was approximately 0.4320 percent, an increase of 0.0158 percent from the prior year.

Actuarial Assumptions. The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2024	January 1, 2023
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

9. Statewide Retirement Plan—FPPA (continued)

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

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

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. 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. 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	100%	

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

9. Statewide Retirement Plan—FPPA (continued)

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.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board’s Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board’s policy, the new 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.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Sensitivity Analysis. Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 2,422,457	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of each stated discount rate above.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

9. Statewide Retirement Plan—FPPA (continued)

Other Information. For the year ended December 31, 2024, the District recognized pension expense related to this plan of \$322,696. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Difference between expected and actual experience	\$ 822,741	\$ 39,531
Changes of assumptions or other inputs	477,223	-
Net difference between projected and actual earnings on pension plan investments	590,653	-
Net change in proportionate share	16,585	-
Contributions subsequent to the measurement date	537,781	-
Total	\$ 2,444,983	\$ 39,531

The \$537,781 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

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:

2025	\$ 329,248
2026	483,590
2027	691,133
2028	106,491
2029	116,538
Thereafter	140,671
	<u>\$ 1,867,671</u>

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 8.4106 years determined as of the beginning of the December 31, 2023 measurement period.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

10. Defined Contribution Plan

Part-time and eligible employees of the District elected to withdraw from the Colorado Statewide Retirement Plan, a defined benefit plan, administered by the Fire and Police Pension Association of Colorado (FPPA). The state legislation allowing the withdrawal states that the alternate pension plan must be a money purchase plan. The replacement plan is a 401(a) Money Purchase Plan administered by FPPA. Each participant has an individual account with FPPA into which all contributions flow.

The participants are offered various investment options through the plan and are allowed to invest all moneys in their account at their own discretion among options. The District may amend, modify, or terminate the plan, upon approval of such amendment, modification, or termination of 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

Employees covered by the plan are eligible to participate from the date of employment. The plan defines the District and participant contributions at 8.25 percent each. The District's contributions for each participant are fully vested after five years. District contributions for, and the interest forfeited by, employees who leave employment before five years of services are used to reduce the District obligation to contribute.

The employer contributions to the plan for the year ended December 31, 2024 were \$3,208.

11. Deferred Compensation Plan—FPPA

The District adopted a deferred compensation plan (457 Plan) as defined under the Internal Revenue Code Section 457. Participants may defer up to the lesser of \$23,000 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute \$7,500 more than the \$30,500 limit due to a catch-up provision in the plan. The 457 Plan allows District employees to make an elective deferral of a portion of their earned compensation to the 457 Plan.

The 457 Plan is a multi-employer plan administered by Fire and Police Pension Association of Colorado (FPPA). The 457 Plan trustee may amend the 457 Plan. For the year ended December 31, 2024, participating employees contributed \$57,790.

12. Statewide Death and Disability Plan

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established, and may be amended, by Colorado State statute.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

12. Statewide Death and Disability Plan (continued)

The SD&D Plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. For firefighters hired after this date the District currently pays 3.6% of their payroll to the SD&D Plan. The percentage contribution amount varies depending on actuarial experience. The SD&D Plan solely provides death and disability payments to participants. In 2024, the District contributed \$191,259.

13. Defined Benefit Pension Plan—PERA

Summary of Significant Accounting Policies

Pensions. The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2023. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

13. Defined Benefit Pension Plan—PERA (continued)

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability

The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

13. Defined Benefit Pension Plan—PERA (continued)

Contributions provisions as of December 31, 2024: Eligible employees of the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413.

Employee contribution rates are summarized in the table below:

	January 1, 2023 Through December 31, 2023	January 1, 2024 Through December 31, 2024
Employee contribution	9.00%	9.00%

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

The employer contribution requirements are summarized in the table below:

	January 1, 2023 Through December 31, 2023	January 1, 2024 Through December 31, 2024
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.06%	0.08%
Total employer contribution rate to the LGDTF	13.74%	13.76%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$56,343 for the year ended December 31, 2024.

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

Actuarial Valuation Date. The net pension liability for the LGDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

13. Defined Benefit Pension Plan—PERA (continued)

procedures were used to roll-forward the TPL to December 31, 2023. The Districts proportion of the net pension liability was based on the Districts contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers.

Net Pension Liability. At December 31, 2024 the District reported a liability of \$198,606 for its proportionate share of the net pension liability.

At December 31, 2023, the Districts proportion was 0.0270 percent, which was an increase of 0.000956 percent from its proportion measured as of December 31, 2022.

Plan fiduciary net position (FNP) as a percentage of the total pension liability is 88.03%

For the year ended December 31, 2024, the District recognized pension benefit of \$21,993. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of resources	Inflows of resources
Difference between expected and actual experience	\$ 10,748	\$ 204
Net difference between projected and actual earnings on pension plan investments	57,993	-
Net change in proportionate share	1,228	-
Contributions subsequent to the measurement date	56,343	-
Total	\$ 126,312	\$ 204

\$56,343 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 position liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2025	\$ 12,268
2026	24,561
2027	48,911
2028	(15,975)
	<u>\$ 69,765</u>

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

13. Defined Benefit Pension Plan—PERA (continued)

Actuarial assumptions. The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% – 11.30%
Long-term investment rate of return, net of pension plan investment expense, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	1.00%
PERA Benefit Structure hired after 12/31/06	Financed by the Annual Increase Reserve

The mortality tables are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

13. Defined Benefit Pension Plan—PERA (continued)

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

13. Defined Benefit Pension Plan—PERA (continued)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year and the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and the 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund were \$24.967 million. The District's proportionate share of the increase in FNP as a result of this transaction was \$6,755

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

13. Defined Benefit Pension Plan—PERA (continued)

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

	1% Decrease (6.25%)	Current (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 389,290	\$ 198,606	\$ 38,877

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74 and is administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s).

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

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

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

PERA Benefit Structure

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the employer is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$4,176 for the year ended December 31, 2024.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Actuarial Valuate Date. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The Districts proportion of the net OPEB liability was based on the Districts contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

Net Pension Liability. At December 31, 2024 the District reported a liability of \$15,352 for its proportionate share of the net OPEB liability.

At December 31, 2023, the Districts proportion was 0.00215 percent, which was an increase of 0.0000469 percent from its proportion measured as of December 31, 2022.

Plan fiduciary net position (FNP) as a percentage of the total pension liability is 46.16%.

For the year ended December 31, 2024, the District recognized OPEB benefit of \$3,036. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Difference between expected and actual experience	\$ -	\$ 3,147
Changes of assumptions or other inputs	181	1,628
Net difference between projected and actual earnings on pension plan investments	475	-
Net change in proportionate share	-	11,038
Contributions subsequent to the measurement date	4,176	-
Total	\$ 4,832	\$ 15,813

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

\$4,176 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized in as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:

2025		\$ (5,933)
2026		(4,500)
2027		(3,166)
2028		(1,360)
2029		(189)
Thereafter		(9)
		\$ (15,157)

Actuarial assumptions. The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method		Entry age
Price inflation		2.30%
Real wage growth		0.70%
Wage inflation		3.00%
Salary increases, including wage inflation		3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation		7.25%
Discount rate		7.25%
Health care cost trend rates		
PERA Benefit Structure:		
Service-based premium subsidy		0.00%
<u>PERACare Medicare plans</u>		7.0% in 2023 gradually decreasing to 4.50% in 2033
Medicare Part A premiums		3.5% in 2023, gradually increasing to 4.50% in 2035

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Age-Related Morbidity Assumptions

<u>Participant Age</u>	<u>Annual Increase (Male)</u>	<u>Annual Increase</u>
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

The 2023 Medicare Part A premium is \$506 per month.

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$14,912	\$15,352	\$15,832

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

14. Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF was \$1.033 million. The District’s proportionate share of the increase in FNP as a result of this transaction was \$22.

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

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

	1% Decrease (6.25%)	Current (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 18,133	\$ 15,352	\$ 12,973

15. Volunteer Firefighters’ Pension Plans

Summary of Significant Accounting Policies

Pensions. The District has established two Volunteer Firefighters’ Pension Plans (the “Volunteer Plans”), agent multiple-employer defined benefit pension funds administered by the Colorado Fire & Police Pension Association (“FPPA”).

These plans are delineated as Rifle Fire Protection District 7306-5 Volunteer Plan and Burning Mountains Fire Protection District 7247-5 Volunteer Plan. The net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pension, pension expense (income), information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plans have been determined using the economic resources measurement focus

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

15. Volunteer Firefighters' Pension Plans (continued)

General Information about the Pension Plan

Plan Description. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for year of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board.

The Volunteer Plans also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plans. That report may be obtained on FPPA's website at http://www.fppaco.org/annual_reports.htm.

Funding Policy. An actuary is used to determine the annual required contribution (ARC) necessary to maintain the actuarial soundness of the Volunteer Plans. Colorado law requires the State to make an annual contribution to the Volunteer Plans. Because the District's monthly benefit amount is over \$300, the State's annual contribution is calculated as the highest State contribution made between 1998 and 2001. The District may make additional contributions to support the plan.

The actuarial study as of January 1, 2024, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Volunteer Plans.

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

At December 31, 2024 the District reported a net pension asset of \$2,934,366 for the Rifle Fire Protection District 7306-5 plan. The net pension asset was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2024, the District recognized a pension benefit related to this plan of \$277,989. At December 31, 2024, the District reported deferred outflow of resources related to pension from the following sources:

	Outflows of resources	Inflows of resources
Net difference between projected and actual earnings on pension plan investments	558,776	350,877
Total	558,776	350,877

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

15. Volunteer Firefighters' Pension Plans (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ended December 31:

2025	\$	8,511
2026		70,064
2027		157,791
2028		(28,467)
	<u>\$</u>	<u>207,899</u>

At December 31, 2024 the District reported a net pension liability of \$448,771 for the Burning Mountains Fire Protection District 7247-5 plan. The net pension liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2024, the District recognized a pension benefit related to this plan of \$5,954. At December 31, 2024, the District reported deferred outflow of resources related to pension from the following sources:

	Outflows of resources	Inflows of resources
Net difference between projected and actual earnings on pension plan investments	244,339	151,193
Contributions subsequent to the measurement date	369,071	-
Total	613,410	151,193

\$369,071 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ended December 31:

2025	\$	3,967
2026		30,922
2027		69,850
2028		(11,593)
	<u>\$</u>	<u>93,146</u>

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

15. Volunteer Firefighters' Pension Plans (continued)

Actuarial Assumptions. Method, 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 market
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: 2006 central rates from RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.

Post-retirement: 2006 central rates from RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females project to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

Plan memberships as of January 1, 2024 was as follows:

Membership by type	Rifle Fire Protection District 7306-5 Volunteer Plan	Burning Mountains Fire Protection District 7247-5 Volunteer Plan
Retirees and beneficiaries	34	36
Inactive, Nonretired members	3	5
Active members	2	0
Total	39	41

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

15. Volunteer Firefighters' Pension Plans (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 addition expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	1.0%	4.32%
Fixed Income - Rates	10.0%	5.35%
Fixed Income - Credit	5.0%	5.89%
Absolute Return	9.0%	6.39%
Long Short	6.0%	7.27%
Global Equity	35.0%	8.33%
Private Markets	34.0%	10.31%
Total	100.0%	

The discount rate used to measure the total pension liability was 7.00%. 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 Volunteer Plans 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.

Sensitivity of the District's net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) calculation using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate (measured in thousands).

Rifle Fire Protection District 7306-5 Volunteer Plan	1% Decrease (6.00%)	Current (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	(26,782,452)	(2,934,366)	(3,153,058)

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

15. Volunteer Firefighters' Pension Plans (continued)

Burning Mountain Protection District 7247-5 Volunteer Plan	1% Decrease (6.00%)	Current (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	720,028	448,771	217,440

FPPA System Description. The FPPA 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 annual comprehensive financial report that can be obtained at <http://www.fppaco.org>.

16. Contingencies

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 which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required.

The District has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2024, \$614, 082 of the year-end fund balance in the General Fund will be reserved for emergencies.

In May, 1996, the registered voters of the Colorado River Fire Protection District voted to allow the District to collect, retain and expend all revenues and other funds collected in 1996 and each subsequent year thereafter, for capital projects and other district services without limiting in any year the amount of the other revenues that may be collected and expended by the Colorado River Fire Protection District in excess of the limits of Article X, Section 20 of the Colorado Constitution.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2024

17. Tax Abatements

During 2018, Garfield County (“County”) signed two property tax abatement agreements with oil and gas companies related to misreported production revenues. The County agreed to refund the companies for overpayment of taxes related to errors identified by the companies in the volumes and revenues of natural gas reported in prior years. The cost to the District in 2024 related to these refunds, including interest, was \$46,836.

18. Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Claims made against the District and losses incurred by the District are covered by commercial insurance for all major areas. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded insurance coverage for any of the three preceding years.

19. Subsequent Events

The District has evaluated subsequent events through **July XX**, 2025, the date which the financial statements were available to be issued. During this period, the District was not aware of any material recognizable subsequent events.

Colorado River Fire Protection District

Required Supplementary Information

Colorado River Fire Protection District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund (Budget and Actual)
December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 13,504,853	\$ 14,485,151	\$ 14,485,151	\$ -
EMS charges for services, net	1,009,263	1,020,190	1,020,190	-
Wildland and hazard	1,850,000	4,123,223	4,123,223	-
Service income	6,700	13,167	13,167	-
Interest	295,000	590,825	590,825	-
Grant	38,329	130,701	130,701	-
Other income	<u>68,500</u>	<u>65,376</u>	<u>65,376</u>	<u>-</u>
Total Revenues	<u>16,772,645</u>	<u>20,428,633</u>	<u>20,428,633</u>	<u>-</u>
Expenditures				
General Overhead:				
Salaries and benefits expense	9,488,114	10,430,684	10,430,684	-
Pensions / retirement expense	1,231,391	1,299,878	1,299,878	-
Insurance	415,214	363,167	363,167	-
Computer, equipment and software expense	272,000	182,999	182,999	-
Station expenses	284,200	240,543	240,543	-
Treasurer and tax fees	341,264	346,718	346,718	-
Professional service fees	142,500	190,608	190,608	-
General overhead	92,500	105,252	105,252	-
Health and wellness expenses	77,916	100,897	100,897	-
Recruitment and assessment expense	41,500	33,844	33,844	-
Staff appreciation expense	28,500	12,951	12,951	-
Strategic planning expense	10,000	7,946	7,946	-
Staff development and conference	25,000	12,950	12,950	-
Board of Directors expense	12,000	6,200	6,200	-
Banking and merchant fees	2,550	1,021	1,021	-
Community appreciation expense	4,000	3,417	3,417	-
Honor guard expense	5,000	1,276	1,276	-
Community Cares expense	4,000	2,396	2,396	-
Volunteer benefits	10,000	765	765	-
Miscellaneous	-	84	84	-
Operations:				
Operations expense	1,427,096	1,125,898	1,125,898	-
Vehicle and apparatus expense	276,500	230,995	230,995	-
Operational training expense	228,000	119,031	119,031	-
Fire prevention and education expense	19,900	14,433	14,433	-
Training center / grounds expense	<u>13,500</u>	<u>4,545</u>	<u>4,545</u>	<u>-</u>
Total Expenditures	<u>14,452,645</u>	<u>14,838,498</u>	<u>14,838,498</u>	<u>-</u>
Excess Revenue Over (Under)				
Expenditures	<u>2,320,000</u>	<u>5,590,135</u>	<u>5,590,135</u>	<u>-</u>
Other Financing Sources				
Transfer from (to) other funds	<u>(2,100,000)</u>	<u>(2,100,000)</u>	<u>(2,100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,100,000)</u>	<u>(2,100,000)</u>	<u>(2,100,000)</u>	<u>-</u>
Net change in fund balance	220,000	3,490,135	3,490,135	-
Fund Balance—Beginning of year	<u>4,864,882</u>	<u>4,990,990</u>	<u>6,366,804</u>	<u>1,375,814</u>
Fund Balance—End of Year	<u>\$ 5,084,882</u>	<u>\$ 8,481,125</u>	<u>\$ 9,856,939</u>	<u>\$ 1,375,814</u>

Colorado River Fire Protection District
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability (Asset) and Related Ratios
Statewide FPPA Pension Plan

Measurement Period Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Asset as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2024	0.43%	\$ -	\$ 4,121,410	0.0%	100.0%
12/31/2023	0.42%	\$ 369,428	\$ 3,569,687	10.3%	97.6%
12/31/2022	0.41%	\$ (2,210,545)	\$ 3,197,323	-69.1%	116.2%
12/31/2021	0.35%	\$ (764,073)	\$ 2,758,725	-27.7%	106.7%
12/31/2020	0.41%	\$ (229,205)	\$ 2,986,171	-7.7%	101.9%
12/31/2019	0.51%	\$ 644,932	\$ 3,409,510	18.9%	95.2%
12/31/2018	0.52%	\$ (749,440)	\$ 2,942,059	-25.5%	106.3%
12/31/2017	0.49%	\$ 177,757	\$ 2,614,397	6.8%	98.2%
12/31/2016	0.55%	\$ (9,694)	\$ 2,581,439	-0.4%	100.1%
12/31/2015	0.54%	\$ (610,745)	\$ 2,792,346	-21.9%	106.8%

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

Colorado River Fire Protection District
Required Supplementary Information
Schedule of Employer Contributions
Statewide FPPA Pension Plan
As of Measurement Period Ended

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2024	\$ 537,781	\$ 537,781	\$ -	\$ 5,429,844	10%
12/31/2023	\$ 403,205	\$ 403,205	\$ -	\$ 4,121,410	10%
12/31/2022	\$ 325,894	\$ 325,894	\$ -	\$ 3,569,687	9%
12/31/2021	\$ 279,113	\$ 279,113	\$ -	\$ 3,197,323	9%
12/31/2020	\$ 226,148	\$ 235,130	\$ 8,982	\$ 2,758,725	9%
12/31/2019	\$ 238,957	\$ 256,778	\$ 17,821	\$ 2,986,171	9%
12/31/2018	\$ 273,366	\$ 294,428	\$ 21,062	\$ 3,409,510	9%
12/31/2017	\$ 243,766	\$ 237,633	\$ (6,133)	\$ 2,942,059	8%
12/31/2016	\$ 209,152	\$ 209,152	\$ -	\$ 2,614,397	8%
12/31/2015	\$ 206,515	\$ 206,515	\$ -	\$ 2,581,439	8%

Colorado River Fire Protection District
Required Supplementary Information
Schedules of Proportionate Share of the Net Pension Liability and
OPEB Liability (Asset) and Related Ratios

Colorado PERA - Pension

<u>Measurement Period Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</u>
12/31/2024	0.271%	\$ 198,606	\$ 237,695	83.6%	88.0%
12/31/2023	0.261%	\$ 261,673	\$ 213,514	122.6%	83.0%
12/31/2022	0.291%	\$ (24,963)	\$ 216,643	-11.5%	101.5%
12/31/2021	0.460%	\$ 240,922	\$ 326,618	73.8%	90.9%
12/31/2020	0.503%	\$ 367,855	\$ 373,789	98.4%	86.3%
12/31/2019	0.535%	\$ 672,533	\$ 376,947	178.4%	76.0%
12/31/2018	0.440%	\$ 490,003	\$ 277,621	176.5%	79.4%
12/31/2017	0.495%	\$ 668,498	\$ 288,729	231.5%	73.6%
12/31/2016	0.046%	\$ 697,351	\$ 356,203	195.8%	76.9%
12/31/2015	0.065%	\$ 582,526	\$ 356,125	163.6%	80.7%

Colorado PERA - OPEB

<u>Measurement Period Ended*</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Actual Covered Payroll</u>	<u>OPEB Liability as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total OPEB Liability</u>
12/31/2024	0.002%	\$ 15,352	\$ 237,695	6.5%	46.2%
12/31/2023	0.002%	\$ 17,179	\$ 213,514	8.0%	38.6%
12/31/2022	0.002%	\$ 19,517	\$ 216,643	9.0%	39.4%
12/31/2021	0.004%	\$ 33,562	\$ 326,618	10.3%	32.8%
12/31/2020	0.004%	\$ 43,297	\$ 373,789	11.6%	24.5%
12/31/2019	0.004%	\$ 56,443	\$ 376,947	15.0%	17.0%
12/31/2018	0.003%	\$ 44,442	\$ 277,621	16.0%	17.5%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

Colorado River Fire Protection District
Required Supplementary Information
Schedules of Employer Contributions
As of Measurement Period Ended
PERA Pension Plan and OPEB Plan

Colorado PERA - Pension

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2024	\$ 56,343	\$ 56,343	\$ -	\$ 409,434	13.76%
12/31/2023	\$ 32,660	\$ 32,660	\$ -	\$ 237,695	13.74%
12/31/2022	\$ 28,764	\$ 28,764	\$ -	\$ 213,514	13.47%
12/31/2021	\$ 28,596	\$ 28,596	\$ -	\$ 216,643	13.20%
12/31/2020	\$ 41,687	\$ 41,687	\$ -	\$ 326,618	12.76%
12/31/2019	\$ 48,377	\$ 48,377	\$ -	\$ 373,789	12.94%
12/31/2018	\$ 47,797	\$ 47,797	\$ -	\$ 376,947	12.68%
12/31/2017	\$ 35,217	\$ 35,217	\$ -	\$ 277,621	12.69%
12/31/2016	\$ 36,611	\$ 36,611	\$ -	\$ 288,729	12.68%
12/31/2015	\$ 45,167	\$ 45,167	\$ -	\$ 356,230	12.68%

Colorado PERA - OPEB

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2024	\$ 4,176	4,176	\$ -	\$ 409,434	1.02%
12/31/2023	\$ 2,424	2,424	\$ -	\$ 237,695	1.02%
12/31/2022	\$ 2,178	2,178	\$ -	\$ 213,514	1.02%
12/31/2021	\$ 2,210	2,210	\$ -	\$ 216,643	1.02%
12/31/2020	\$ 3,332	3,332	\$ -	\$ 326,618	1.02%
12/31/2019	\$ 3,813	3,813	\$ -	\$ 373,789	1.02%
12/31/2018	\$ 3,845	3,845	\$ -	\$ 376,947	1.02%
12/31/2017	\$ 2,832	2,832	\$ -	\$ 277,621	1.02%

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

Colorado River Fire Protection District
Required Supplementary Information
Schedule of Employer Contributions
Rifle Volunteer Firefighters' Pension Plan
As of Measurement Period Ended

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2024	\$ -	\$ -	\$ -	N/A	N/A
12/31/2023	\$ -	\$ -	\$ -	N/A	N/A
12/31/2022	\$ -	\$ -	\$ -	N/A	N/A
12/31/2021	\$ -	\$ -	\$ -	N/A	N/A
12/31/2020	\$ -	\$ -	\$ -	N/A	N/A
12/31/2019	\$ -	\$ -	\$ -	N/A	N/A
12/31/2018	\$ -	\$ -	\$ -	N/A	N/A
12/31/2017	\$ -	\$ -	\$ -	N/A	N/A
12/31/2016	\$ -	\$ 50,000	\$ 50,000	N/A	N/A
12/31/2015	\$ -	\$ 236,751	\$ 236,751	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Colorado River Fire Protection District
Required Supplementary Information
Schedule of Employer Contributions
Burning Mountain Volunteer Firefighters' Pension Plan
As of Measurement Period Ended

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2024	\$ 65,106	\$ 200,000	\$ 134,894	N/A	N/A
12/31/2023	\$ 65,106	\$ 80,929	\$ 15,823	N/A	N/A
12/31/2022	\$ 58,639	\$ 111,858	\$ 53,219	N/A	N/A
12/31/2021	\$ 58,639	\$ 80,929	\$ 22,290	N/A	N/A
12/31/2020	\$ 58,639	\$ 80,929	\$ 22,290	N/A	N/A
12/31/2019	\$ 49,359	\$ 80,929	\$ 31,570	N/A	N/A
12/31/2018	\$ 49,359	\$ 50,000	\$ 641	N/A	N/A
12/31/2017	\$ 92,694	\$ 80,929	\$ (11,765)	N/A	N/A
12/31/2016	\$ 92,694	\$ 468,429	\$ 375,735	N/A	N/A
12/31/2015	\$ 116,592	\$ 230,929	\$ 114,337	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Colorado River Fire Protection District
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Rifle Volunteer Pension Fund
Last 10 Years

Measurement period ended December 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability										
Service cost	\$ 3,786	\$ 3,791	\$ 3,791	\$ 1,957	\$ 1,957	\$ 7,082	\$ 7,082	\$ 7,687	\$ 7,687	\$ 7,453
Interest	192,443	198,366	202,261	201,403	205,951	219,189	222,007	228,124	232,163	230,538
Changes of benefit terms	-	-	-	-	-	-	-	-	-	98,350
Difference between expected and actual expenditures	-	(55,085)	-	77,487	-	(39,879)	-	(139,205)	-	(6,499)
Assumption changes	-	26,579	-	-	-	107,374	-	93,301	-	-
Benefit payments	(258,200)	(258,344)	(264,917)	(273,928)	(271,857)	(271,069)	(262,401)	(279,646)	(307,240)	(309,315)
Net change in total pension liability	<u>(61,971)</u>	<u>(84,693)</u>	<u>(58,865)</u>	<u>6,919</u>	<u>(63,949)</u>	<u>22,697</u>	<u>(33,312)</u>	<u>(89,739)</u>	<u>(67,390)</u>	<u>20,527</u>
Total pension liability - Beginning	2,874,237	2,958,930	3,017,795	3,010,876	3,074,825	3,052,128	3,085,440	3,175,179	3,242,569	3,222,042
Total pension liability - Ending (a)	2,812,266	2,874,237	2,958,930	3,017,795	3,010,876	3,074,825	3,052,128	3,085,440	3,175,179	3,242,569
Plan fiduciary net position										
Employer contributions	-	-	-	-	-	-	-	50,000	200,000	424,044
Employee contributions	-	-	-	-	-	-	-	-	-	-
Net investment income	518,025	(501,566)	829,342	671,032	689,822	3,655	684,417	249,309	84,449	304,757
Benefit payments	(258,200)	(258,344)	(264,917)	(273,928)	(271,857)	(271,069)	(262,401)	(279,646)	(307,240)	(309,315)
Administrative expense	(13,972)	(10,354)	(10,181)	(8,523)	(11,335)	(9,680)	(10,670)	(7,706)	(9,268)	(7,391)
State of Colorado supplemental discretionary payment	-	-	-	-	-	-	-	-	36,751	36,751
Net change in plan fiduciary net position	<u>245,853</u>	<u>(770,264)</u>	<u>554,244</u>	<u>388,581</u>	<u>406,630</u>	<u>(277,094)</u>	<u>411,346</u>	<u>11,957</u>	<u>4,692</u>	<u>448,846</u>
Plan fiduciary net position - beginning	5,500,779	6,271,043	5,716,799	5,328,218	4,921,588	5,198,682	4,787,336	4,775,379	4,770,687	4,321,841
Plan fiduciary net position - end (b)	5,746,632	5,500,779	6,271,043	5,716,799	5,328,218	4,921,588	5,198,682	4,787,336	4,775,379	4,770,687
District's net pension asset - ending (a)-(b)	(2,934,366)	(2,626,542)	(3,312,113)	(2,699,004)	(2,317,342)	(1,846,763)	(2,146,554)	(1,701,896)	(1,600,200)	(1,528,118)
Plan fiduciary net position as a percentage of the total pension asset	204.34%	191.38%	211.94%	189.44%	176.97%	160.06%	170.33%	155.16%	150.40%	147.13%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability (asset).

Colorado River Fire Protection District
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Burning Mountain Volunteer Pension Fund
Last 10 Years

Measurement period ended December 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,593	\$ 7,593	\$ 14,738
Interest	201,272	199,799	204,545	198,972	203,480	215,806	219,824	224,353	227,329	224,056
Changes of benefit terms	-	-	-	-	-	-	-	-	-	93,077
Difference between expected and actual expenditures	-	70,371	-	150,967	-	(30,112)	-	(105,812)	-	(15,512)
Assumption changes	-	20,625	-	-	-	114,361	-	90,604	-	-
Benefit payments	<u>(267,045)</u>	<u>(272,349)</u>	<u>(272,349)</u>	<u>(268,375)</u>	<u>(267,395)</u>	<u>(273,399)</u>	<u>(273,399)</u>	<u>(273,399)</u>	<u>(273,399)</u>	<u>(262,869)</u>
Net change in total pension liability	(65,773)	18,446	(67,804)	81,564	(63,915)	26,656	(53,575)	(56,661)	(40,849)	53,490
Total pension liability - Beginning	3,006,582	2,988,136	3,055,940	2,974,376	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720	3,109,230
Total pension liability - Ending (a)	2,940,809	3,006,582	2,988,136	3,055,940	2,974,376	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720
Plan fiduciary net position										
Employer contributions	169,071	50,000	50,000	50,000	50,000	50,000	50,000	437,500	200,000	447,550
Net investment income	219,947	(219,845)	369,214	301,158	325,483	2,451	344,119	116,753	37,731	136,320
Benefit payments	(267,045)	(272,349)	(272,349)	(268,375)	(267,395)	(273,399)	(273,399)	(273,399)	(275,771)	(262,869)
Administrative expense	(15,116)	(10,896)	(10,416)	(8,417)	(11,126)	(9,250)	(10,106)	(3,752)	(5,435)	(3,534)
State of Colorado supplemental discretionary payment	<u>30,929</u>	<u>30,929</u>	<u>61,858</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>
Net change in plan fiduciary net position	137,786	(422,161)	198,307	105,295	127,891	(199,269)	141,543	308,031	(12,546)	348,396
Plan fiduciary net position - beginning	2,354,252	2,776,413	2,578,106	2,472,811	2,406,778	2,606,047	2,464,504	2,156,473	2,169,019	1,820,623
Plan fiduciary net position - end (b)	2,492,038	2,354,252	2,776,413	2,578,106	2,534,669	2,406,778	2,606,047	2,464,504	2,156,473	2,169,019
District's net pension liability - ending (a)-(b)	448,771	652,330	211,723	477,834	439,707	631,513	405,588	600,706	965,398	993,701
Plan fiduciary net position as a percentage of the total pension liability	84.74%	78.30%	92.91%	84.36%	85.22%	79.21%	86.53%	80.40%	69.08%	68.58%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

Colorado River Fire Protection District

Supplementary Information

Colorado River Fire Protection District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Capital Projects Fund (Budget and Actual)
December 31, 2024

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$ 200,000	\$ 171,472	\$ (28,528)
Grants	<u>1,330,000</u>	<u>50,000</u>	<u>(1,280,000)</u>
Total Revenues	<u>1,530,000</u>	<u>221,472</u>	<u>(1,308,528)</u>
Expenditures:			
Capital outlay	<u>2,103,260</u>	<u>715,103</u>	<u>1,388,157</u>
Total Expenditures	<u>2,103,260</u>	<u>715,103</u>	<u>1,388,157</u>
Excess Revenue Over (Under)			
Expenditures	<u>(573,260)</u>	<u>(493,631)</u>	<u>79,629</u>
Other Financing Sources			
Transfer from (to) other funds	<u>2,100,000</u>	<u>2,100,000</u>	<u>-</u>
Total other financing sources	<u>2,100,000</u>	<u>2,100,000</u>	<u>-</u>
Net change in fund balances	1,526,740	1,606,369	79,629
Fund Balance—Beginning of year	<u>4,833,632</u>	<u>3,564,964</u>	<u>(1,268,668)</u>
Fund Balance—End of Year	<u>\$ 6,360,372</u>	<u>\$ 5,171,333</u>	<u>\$ (1,189,039)</u>

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APPENDIX B

CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES

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APPENDIX B

CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES

Set forth below are the definitions of some of the terms used in this Preliminary Official Statement, the Site Lease, the Lease, and the Indenture, as well as summaries of certain provisions of the Site Lease, the Lease, and the Indenture. These summaries do not purport to be definitive summaries of all provisions of the Site Lease, the Lease, or the Indenture; investors must obtain and review each of those documents in order to obtain descriptions of all provisions. Copies of the Site Lease, the Lease, and the Indenture may be obtained from the sources listed in “INTRODUCTION--Additional Information.”

DEFINITIONS

“Additional Certificates” means additional Certificates which may be executed and delivered pursuant to the Indenture.

“Additional Rentals” means the payment or cost of all:

(a) (i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of the Lease, the Site Lease, or the Indenture, including the reasonable fees and expenses of any person or firm employed by the District to make rebate calculations under the provisions of Section 3.05 of the Indenture and the expenses of the Trustee in respect of any policy of insurance or surety bond obtained in respect of the Certificates executed and delivered with respect to the Lease, (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary by the Trustee to protect the Trustee from any liability under the Lease, and approved by the District Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the District Representative;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair, and replacement with respect to the Leased Property or as otherwise required under the Lease;

(c) rebate payments as provided in the Lease; and

(d) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the District shall fail to pay the same, as specifically set forth in the Lease) which the District agrees to assume or pay as Additional Rentals under the Lease.

Additional Rentals shall not include Base Rentals.

“Authorized Denominations” means \$5,000 or integral multiples of \$5,000.

“Base Rentals” means the rental payments payable by the District during the Lease Term, which constitute payments payable by the District for and in consideration of the right to possess and use the Leased Property as set forth in Exhibit C (Base Rentals Schedule) of the Lease. Base Rentals does not include Additional Rentals.

“Base Rentals Fund” means the fund created under Section 3.03 of the Indenture.

“Beneficial Owners” means any person for which a DTC Participant acquires an interest in Certificates.

“Board” means the Board of Directors of the District or any successor to its functions.

“Business Day” means any day, other than a Saturday, Sunday, or legal holiday or a day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“Cede & Co.” means DTC’s nominee or any new nominee of DTC.

“Certificates” means the “Certificates of Participation, Series 2026, Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement, dated June 30, 2026, between Zions Bancorporation, National Association, as Trustee, as lessor, and the Colorado River Fire Protection District, Colorado as lessee” dated as of their date of delivery, executed and delivered pursuant to the Indenture.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and the Lease and related to the authorization, sale, execution and delivery of the Certificates and to be paid from the Costs of Execution and Delivery Fund, including but not limited to, title insurance premiums, closing costs and other costs relating to the leasing of the Leased Property under the Site Lease and the Lease, costs of preparation and reproduction of documents, costs of printing the Certificates and the Preliminary and final Official Statements prepared in connection with the offering of the Certificates, costs of Rating Agencies, and costs to provide information required by Rating Agencies for the rating or proposed rating of Certificates, initial fees and charges of the Trustee and Paying Agent, legal fees and charges, including fees and expenses of Bond Counsel, Special (Disclosure) Counsel, and Counsel to the Trustee, fees and disbursements of professionals and the Underwriter, fees and charges for preparation, execution, and safekeeping of the Certificates, premiums for insurance on the Certificates, and any other cost, charge, or fee in connection with the original sale and the execution and delivery of the Certificates; provided, however, that Additional Rentals shall not be Costs of Execution and Delivery of the Certificates and are to be paid by the District as provided in the Lease.

“Costs of Execution and Delivery Fund” means the fund created under Section 3.06 of the Indenture.

“C.R.S.” means Colorado Revised Statutes.

“Depository” means any securities depository as the Trustee may provide and appoint pursuant to Section 2.03 of the Indenture, in accordance with then current guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Certificates.

“District” means the Colorado River Fire Protection District, Colorado.

“District Representative” means the President of the Board, the Fire Chief or such other person at the time designated to act on behalf of the District for the purpose of performing any act under the Lease, the Site Lease or the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the District by the President of the Board.

“DTC” means the Depository Trust Company, New York, New York, and its successors and assigns.

“DTC Participant(s)” means any broker-dealer, bank, or other financial institution from time to time for which DTC holds Certificates as Depository.

“Event(s) of Indenture Default” means those defaults specified in Section 7.01 of the Indenture.

“Extraordinary Mandatory Redemption” means any redemption made pursuant to Section 4.03 of the Indenture.

“Federal Securities” means non-callable bills, certificates of indebtedness, notes or bonds which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means any 12-month period adopted by the District as its fiscal year.

“Indenture” means the Indenture of Trust dated June 30, 2026, executed and delivered by the Trustee, as the same may be hereafter amended or supplemented.

“Interest Payment Date” means, in respect of the Certificates, each June 1 and December 1, commencing December 1, 2026.

“Lease” means the Lease Purchase Agreement dated June 30, 2026, between the Trustee, as lessor, and the District, as lessee, as the same may be amended.

“Leased Property” means the Site and the premises, buildings, and improvements situated thereon, including all fixtures attached thereto, as more particularly described in Exhibit A to the Lease, together with any and all additions and modifications thereto and replacements thereof, and any New Facility.

“New Facility” means any real property, buildings, or equipment leased by the District to the Trustee pursuant to a future amendment to the Site Lease and leased back by the District from the Trustee pursuant to a future amendment to the Lease in connection with the execution and delivery of Additional Certificates.

“Optional Redemption” means any redemption made pursuant to Section 4.01 of the Indenture.

“Outstanding” means, with respect to the Certificates, all Certificates executed and delivered pursuant to the Indenture as of the time in question, except:

- (a) All Certificates theretofore canceled or required to be canceled under Section 2.07 of the Indenture;
- (b) Certificates in substitution for which other Certificates have been executed and delivered under Section 2.05 or 2.06 of the Indenture;
- (c) Certificates which have been redeemed as provided in Article 4 of the Indenture;
- (d) Certificates for the payment or redemption of which provision has been made in accordance with Article 6 of the Indenture; provided that, if such Certificates are being redeemed, the required notice of redemption has been given or provision satisfactory to the Trustee has been made therefor; and
- (e) Certificates deemed to have been paid pursuant to Section 6.01 of the Indenture.

“Owners” means the registered owners of any Certificates. For purposes of this Indenture, however, the Beneficial Owners shall possess all rights as the Owners to direct the actions of the Trustee, execute consents, waivers, amendment, give indemnities and otherwise give directions and approve actions taken by the Trustee. The Trustee will verify the identity of the Beneficial Owners of the securities by any reasonable manner the Trustee deems satisfactory.

“Paying Agent” means the Trustee or any successor or additional paying agent appointed pursuant to the Indenture.

“Permitted Investments” means those investments the District is authorized to enter into under the laws of the State of Colorado.

“Prepayment” means any amount paid by the District pursuant to the provisions of the Lease as a prepayment of the Base Rentals due thereunder.

“Project” means (a) finance the planning, renovation and expansion of Fire Station 61 located within the District at 611 Main Street, Silt, Colorado 81652, including, but not limited to renovation of the existing bays, construction of new living quarters and installation of a new parking lot; and (b) pay the costs of issuing the Certificates.

“Rating Agency” or “Rating Agencies” means Moody’s Investors Service or other nationally recognized securities rating agency or agencies as may be directed by the District in writing to the Trustee.

“Rebate Fund” means the fund created under Section 3.05 of the Indenture.

“Regular Record Date” in respect of the Certificates means the 15th day of the calendar month immediately preceding the Interest Payment Date (or the Business Day immediately preceding such 15th day, if such 15th day is not a Business Day).

“Revenues” means (a) all amounts payable by or on behalf of the District or with respect to the Leased Property pursuant to the Lease including, but not limited to, all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Certificates deposited into the Base Rentals Fund created under the Indenture; (c) any moneys which may be derived from any insurance in respect of the Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the Indenture (except for moneys and securities held in the Rebate Fund).

“Site” means, collectively, the real property owned by the District and leased by the District to the Trustee under the Site Lease and subleased by the Trustee to the District under the Lease, more particularly described as the real property located at 611 Main Street, Silt, Colorado 81652, the legal description of which is set forth in Exhibit A to the Lease, or an amendment or supplement thereto.

“Site Lease” means the Site and Improvement Lease, dated June 30, 2026, between the District, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

“Special Counsel” means any counsel experienced in matters of municipal law and listed in the list of municipal bond attorneys, as published semiannually by *The Bond Buyer*, or any successor publication. So long as the Lease Term is in effect, the District shall have the right to select Special Counsel.

“Supplemental Act” means the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S.

“Tax Certificate” means the Tax Compliance and No-Arbitrage Certificate entered into by the District with respect to the Lease and the Certificates.

“Trust Estate” means all of the property placed in trust by the Trustee pursuant to the Granting Clauses of the Indenture.

“Trustee” means Zions Bancorporation, National Association, as Trustee under the Indenture for the benefit of the Owners of the Certificates and any Additional Certificates, and its successors and assigns.

“Underwriter” means UMB Bank, n.a., Capital Markets Division.

THE SITE LEASE

Site Lease and Term

Under the Site Lease, the District demises and leases to the Leased Property to the Trustee, on the terms and conditions set forth in the Site Lease, subject to Permitted Encumbrances.

The term of the Site Lease commences on the date of the Site Lease and ends on December 31, 20[56] (the "Site Lease Termination Date"), unless sooner terminated as provided in the Site Lease. If, prior to the Site Lease Termination Date, the Trustee has transferred and conveyed the Trustee's leasehold interests in all of the Leased Property pursuant to the Lease as a result of the District's payment of (a) the applicable Purchase Option Price thereunder; or (b) all Base Rentals and Additional Rentals, all as further provided in the Lease, then the term of the Site Lease shall end in connection with such transfer and conveyance.

The term of any sublease of the Leased Property or any portion thereof, or any assignment of the Trustee's interest in the Site Lease, pursuant to the terms thereof, the Lease and the Indenture, shall not extend beyond December 31, 20[56]. At the end of the term of the Site Lease, all right, title and interest of the Trustee, or any sublessee or assignee, in and to the Leased Property, shall terminate. Upon such termination, the Trustee and any sublessee or assignee is required to execute and deliver to the District any necessary documents releasing, assigning, transferring, and conveying the Trustee's, sublessee's or assignees' respective interests in the Leased Property, which the District may record in the real property records of Garfield County, Colorado.

Rental

The Trustee has paid to the District and the District acknowledges receipt from the Trustee as and for rental under the Site Lease, paid in advance, the sum of $[\text{PAR} + \text{Premium} - \text{Underwriter's Discount}]^*$, as and for all rent due under the Site Lease. The District has determined that such amount is reasonable consideration for the leasing of the Leased Property to the Trustee for the term of the Site Lease.

Purpose

The Site Lease provides that the Trustee shall use the Leased Property solely for the purpose of leasing the Leased Property back to the District pursuant to the Lease and for such purposes as may be incidental thereto; provided, that upon the occurrence of an Event of Nonappropriation or an Event of Lease Default and the termination of the Lease, the District is required to vacate the Leased Property, as provided in the Lease, and the Trustee may exercise the remedies provided in the Site Lease, the Lease and the Indenture.

Owner In Fee

The District has represented in the Site Lease that it is the owner in fee of the Leased Property, subject to Permitted Encumbrances, and that the Permitted Encumbrances do not and shall not interfere in any material way with the District's use of the Leased Property pursuant to the Lease.

Sales, Assignments and Subleases

Unless an Event of Nonappropriation or an Event of Lease Default has occurred and is continuing and except as may otherwise be provided in the Lease, the Trustee may not sell or assign its rights and

* Preliminary, subject to change.

interests under the Site Lease or sublet all or any portion of the Leased Property, without the written consent of the District.

In the event that (a) the Lease is terminated for any reason and (b) the Site Lease is not terminated, the Trustee may sublease the Leased Property or any portion thereof, or sell or assign the Trustee's leasehold interests in the Site Lease, pursuant to the terms of the Lease and the Indenture, and any purchasers from or sublessees or assignees of the Trustee may sell or assign its respective interests in the Leased Property, subject to the terms of the Site Lease, the Lease, and the Indenture. The District and the Trustee (or any purchasers from or assignees or sublessees of the Trustee) agree that, except as permitted by the Site Lease, the Lease, and the Indenture and except for Permitted Encumbrances (including purchase options under the Lease), neither the District, the Trustee, nor any purchasers from or sublessees or assignees of the Trustee will sell, mortgage, or encumber the Leased Property or any portion thereof during the term of the Site Lease.

Upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the Trustee and any other person who has the right to use the Leased Property under the Site Lease, at its own expense, may, in the exercise of its remedies, install machinery, equipment and other tangible property in or on any portion of the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the Trustee or such other person; provided, however, that title to any such machinery, equipment, and other tangible property shall become part of the Leased Property and be included under the terms of the Site Lease to the extent that (a) any such machinery, equipment, or other tangible property is permanently affixed to the Leased Property or (b) the removal of such machinery, equipment, or other tangible property would damage or impair the Leased Property.

Termination

The Trustee agrees, upon the termination of the Site Lease, to quit and surrender all of the Leased Property, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of the Site Lease shall remain thereon.

Default

In the event the Trustee is in default in the performance of any obligation on its part to be performed under the terms of the Site Lease, which default continues for 30 days following written notice and demand for correction thereof to the Trustee, the District may exercise any and all remedies granted by law, except that no merger of the Site Lease and of the Lease shall be deemed to occur as a result thereof and that so long as any Certificates are Outstanding and unpaid under the Indenture, the Base Rentals due under the Lease shall continue to be paid to the Trustee except as otherwise provided in the Lease. In addition, so long as any of the Certificates are Outstanding, the Site Lease shall not be terminated except as described in "Site Lease and Term" above.

Taxes; Maintenance; Insurance

During the Lease Term of the Lease and in accordance with the provisions of the Lease, the District covenants and agrees to pay any and all taxes, assessments, or governmental charges due in respect of the Leased Property and all maintenance costs and utility charges in connection with the Leased Property. In the event that (a) the Lease is terminated for any reason, and (b) the Site Lease is not terminated, the Trustee, or any purchaser, sublessee, or assignee of the Leased Property (including the leasehold interests of the Trustee resulting from the Site Lease) is required to pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order. Any such payments that are to be made by the Trustee shall be made solely from (a) the proceeds of such sale, subleasing, or assignment, (b) the Trust Estate, or (c) other moneys furnished to the Trustee under

the Indenture, and in the absence of available moneys identified in the preceding clauses (a) through (c), the Trustee shall be under no obligation to pay or cause to be paid when due, all such taxes, assessments, or governmental charges and maintain the Leased Property in good condition and working order.

The provisions of the Lease shall govern with respect to the maintenance of insurance during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason, and (b) the Site Lease is not terminated, the Trustee, or any sublessee, purchaser, or assignee of the Leased Property is required to obtain and keep in force, (i) the aggregate limits of liability established under Section 24-10-114 of the Colorado Governmental Immunity Act, as may be amended from time to time, and (ii) property insurance in an amount not less than the aggregate limits of liability under Section 24-10-114 of the Colorado Governmental Immunity Act, as may be amended from time to time. Any such insurance that is to be obtained by the Trustee shall be paid for solely (a) from the proceeds of such subleasing, sale, or assignment, (b) from the Trust Estate, or (c) from other moneys furnished to the Trustee under the Indenture and in the absence of available moneys identified in the preceding clauses (a) through (c), the Trustee shall be under no obligation to obtain or keep in force such insurance coverages. All such insurance shall name the District as insured and the Trustee as an additional insured or loss payee. The District and the Trustee shall waive any rights of subrogation with respect to the Trustee, any sublessee, purchaser, or assignee, and the District, and their members, directors, officers, agents, and employees, while acting within the scope of their employment and each such insurance policy shall contain such a waiver of subrogation by the issuer of such policy.

Damage, Destruction or Condemnation

The provisions of the Lease shall govern with respect to any damage, destruction, or condemnation of the Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason and (b) the Site Lease is not terminated, and either (i) the Leased Property or any portion thereof is damaged or destroyed, in whole or in part, by fire or other casualty, or (ii) title to or use of the Leased Property or any part thereof shall be taken under the exercise of the power of eminent domain, the District and the Trustee, or any sublessee, purchaser, or assignee of the Leased Property from the Trustee shall cause the Net Proceeds of any insurance claim or condemnation award to be applied in accordance with the provisions of Article 10 of the Lease.

Hazardous Substances

Except for customary materials necessary for operation, cleaning, and maintenance of the Leased Property, and such materials as are necessary and appropriate for the District to conduct its emergency services operations, none of the District, the Trustee, or any sublessee, purchaser, or assignee of the Leased Property from the Trustee shall cause or permit any Hazardous Substance to be brought upon, generated at, stored, or kept or used in or about the Leased Property without prior written notice to the District and the Trustee and all Hazardous Substances, including customary materials necessary for construction, operation, cleaning, and maintenance of the Leased Property, will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept on or about the Leased Property, provided unless the Trustee has exercised its right to take possession of the Leased Property after the occurrence and continuance of an Event of Lease Default, the Trustee shall have no responsibility under this Section to monitor or investigate whether the Lease Property complies with environmental laws or is subject to any Hazardous Substance. If the presence of Hazardous Substance on the Leased Property caused or permitted by the District, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, results in contamination of the Leased Property, or if contamination of the Leased Property by Hazardous Substance otherwise occurs for which the District, the Trustee or any sublessee or assignee of the Leased Property, as the case may be, is legally liable for damage resulting therefrom, then the District, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, shall reimburse the other party for its reasonable and necessary legal expenses to defend the parties hereto or assignees hereof that have not caused or permitted

such contamination and are not so legally liable with respect to the Site Lease from claims for damages, penalties, fines, costs, liabilities or losses; provided that the cost of such defense, (a) in the case of the Trustee, shall be payable solely from the Trust Estate, or (b) in the case of the District, shall be payable only if the cost of such defense has been annually appropriated by the District. This duty to reimburse legal expenses is not an indemnification. It is expressly understood that none of the District, the Trustee, or any sublessee, purchaser, or assignee is indemnifying any other person with respect to the Site Lease. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property is caused or permitted by:

(a) the Trustee after the Trustee has exercised its right to take possession of the Leased Property after the occurrence and continuance of an Event of Lease Default, or any sublessee, purchaser, or assignee of the Leased Property from the Trustee, as the case may be, results in any contamination of the Leased Property, the Trustee or any sublessee, purchaser, or assignee of the Leased Property from the Trustee, as the case may be, shall provide prior written notice to the District and the Trustee and promptly take all actions, solely at the expense of the Trust Estate as are necessary to effect remediation of the contamination in accordance with legal requirements; or

(b) the District results in any contamination of the Leased Property, the District shall provide prior written notice to the Trustee and promptly take all actions, solely at the expense of the District, which expenses shall constitute Additional Rentals, as are necessary to effect remediation of the contamination in accordance with legal requirements.

THE LEASE

The Lease Term

The Lease Term commences on the date of the Lease. The Initial Term terminates on December 31, 2026. The Lease may be renewed, solely at the option of the District for 29 Renewal Terms, with the Lease Term terminating no later than December 31, 2046. The District Representative or other officer of the District at any time charged with the responsibility of formulating budget proposals for the District has been directed in the Lease to include in the annual budget proposals submitted to the Board, in any year in which the Lease is in effect, items for all payments required for the ensuing Renewal Term under the Lease until such time, if any, as the District may determine to not renew and terminate the Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the District that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the Board and not by any other official of the District. During the Lease Term, the District shall in any event, whether or not the Lease is to be renewed, furnish the Trustee with copies of its annual budget promptly after the budget is adopted.

Not later than December 15 of the then current Initial Term or Renewal Term, the District Representative is required to give written notice to the Trustee that either (a) the District has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all of the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, whereupon the Lease shall be renewed for the ensuing Fiscal Year; or (b) the District has determined, for any reason, not to renew the Lease for the ensuing Fiscal Year.

The District's option to renew or not to renew the Lease shall be conclusively determined by whether or not the applicable Appropriation has been made on or before December 31 of each Fiscal Year, all as further provided in the Lease.

Termination of the Lease Term

The Lease Term will terminate upon the earliest of any of the following events:

(a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation pursuant to the Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in Section 6.4 of the Lease);

(b) the occurrence of an Event of Nonappropriation under the Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in Section 6.4 of the Lease);

(c) the conveyance of the Trustee's leasehold interest in the Leased Property under the Lease to the District upon payment of the Purchase Option Price or all Base Rentals and Additional Rentals, for which an Appropriation has been effected by the District for such purpose, as provided in the Lease; or

(d) an uncured Event of Lease Default and termination of the Lease under the Lease by the Trustee.

Except for an event described in subparagraph (c) above, upon termination of the Lease, the District agrees to peaceful delivery of the Leased Property to the Trustee.

The District shall not have the right to terminate the Lease due to a default by the Trustee under the Lease.

Termination of the Lease Term will terminate all unaccrued obligations of the District under the Lease, and will terminate the District's rights of possession under the Lease (except to the extent of the holdover provisions, and except for any conveyance pursuant to the Lease). All obligations of the District accrued prior to such termination shall be continuing until the Trustee gives written notice to the District that such accrued obligations have been satisfied.

Payments to Constitute Currently Budgeted Expenditures of the District

In the Lease, the District and the Trustee acknowledge and agree that the Base Rentals, Additional Rentals, and any other obligations under the Lease shall constitute currently budgeted expenditures of the District, if an Appropriation has been effected for such purpose. The District's obligations to pay Base Rentals, Additional Rentals, and any other obligations under the Lease shall be from year to year only (as further provided in the Lease), shall extend only to moneys for which an Appropriation has been effected by the District, and shall not constitute a mandatory charge, requirement, or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. The Lease shall not directly or indirectly obligate the District to make any payments beyond those for which an Appropriation has been effected by the District for the District's then current Fiscal Year. The District shall be under no obligation whatsoever to exercise its option to purchase the Trustee's leasehold interest in the Leased Property. No provision of the Lease shall be construed to pledge or to create a lien on any class or source of District moneys, nor shall any provision of the Lease restrict the future issuance of any District bonds or obligations payable from any class or source of District moneys (provided, however, that certain restrictions in the Indenture shall apply to the issuance of Additional Certificates).

Base Rentals, Purchase Option Price and Additional Rental

Base Rentals. Under the Lease, the District is to pay Base Rentals for which an Appropriation has been effected by the District, directly to the Trustee during the Initial Term and any Renewal Term. The District is to receive credit against the Base Rentals to the extent moneys are held on deposit in the Base

Rentals Fund by the Trustee and available to pay Base Rentals. Base Rentals will be recalculated in the event of the issuance of Additional Certificates as provided in the Indenture and will also be recalculated in the event of a partial redemption of the Certificates.

Purchase Option Price. The Lease provides that the District may, on or after December 1, 20[36], pay the then applicable Purchase Option Price for the purpose of terminating the Lease and the Site Lease in whole and purchasing the Trustee's leasehold interest in the Leased Property as further provided in the Lease. Subject to the Approval of Special Counsel, the District may also, at any time during the Lease Term, (1) prepay any portion of the Base Rentals due under the Lease and (2) in connection with such prepayment, recalculate the Base Rentals set forth in Exhibit C to the Lease (Base Rentals Schedule). The District is required to give the Trustee notice of its intention to exercise either of such options not less than forty- five (45) days in advance of the date of exercise and is required to deposit with the Trustee the applicable Purchase Option Price on or before such date or the applicable amount of Base Rentals to be prepaid.

Additional Rentals. The Lease also requires the District to pay Additional Rentals during the Lease Term on a timely basis directly to the person or entity to which such Additional Rentals are owed. Additional Rentals shall include, without limitation, the reasonable fees and expenses of the Trustee, reasonable expenses of the Trustee in connection with the Leased Property, and for the cost of taxes, insurance premiums, utility charges, maintenance, and repair costs, and all other expenses expressly required to be paid thereunder, including any Rebate Fund payments required pursuant to the Lease and the Indenture. All of the payments required by this paragraph are subject to Appropriation by the District; provided, however, a failure by the District to budget and appropriate moneys for any of the payments described in this paragraph shall constitute an Event of Nonappropriation.

Manner of Payment. The Base Rentals, for which an Appropriation has been effected by the District, and, if paid, the Purchase Option Price, shall be paid or prepaid by the District to the Trustee at its designated corporate trust office by wire transfer of federal funds, certified funds, or other method of payment acceptable to the Trustee in lawful money of the United States of America.

The obligation of the District to pay the Base Rentals and Additional Rentals as required under the Lease in any Fiscal Year for which an Appropriation has been effected by the District for the payment thereof shall be absolute and unconditional and payment of the Base Rentals and Additional Rentals in such Fiscal Years shall not be abated through accident or unforeseen circumstances, or any default by the Trustee under the Lease, or under any other agreement between the District and the Trustee, or for any other reason including without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, or failure of the Trustee, to perform and observe any agreement, whether expressed or implied, or any duty, liability, or obligation arising out of or connected with the Lease, it being the intention of the parties to the Lease that the payments required by the Lease will be paid in full when due without any delay or diminution whatsoever, subject only to the annually renewable nature of the District's obligation hereunder as set forth in the Lease, and further subject to the District's rights under Section 9.3 of the Lease. Notwithstanding any dispute between the District and the Trustee, the District shall, during the Lease Term, make all payments of Base Rentals and Additional Rentals in such Fiscal Years and shall not withhold any Base Rentals or Additional Rentals, for which an Appropriation has been effected by the District, pending final resolution of such dispute (except to the extent permitted by the Lease with respect to certain Additional Rentals), nor shall the District assert any right of set-off or counterclaim against its obligation to make such payments required under the Lease. No action or inaction on the part of the Trustee shall affect the District's obligation to pay all Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose.

Nonappropriation by the District

In the event that the District gives notice that it intends to not renew the Lease or the District shall not effect an Appropriation, on or before December 31 of each Fiscal Year, of moneys to pay all Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term as provided in the Lease, or in the event that the District is proceeding under the provisions of Section 10.3(c) of the Lease (when applicable) relating to certain events of damage, destruction and condemnation, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(a) In the event the Trustee does not receive the written notice provided for by the Lease or evidence that an Appropriation has been effected by the District on or before December 31 of a Fiscal Year, then the Trustee shall declare an Event of Nonappropriation on the first Business Day of the February following such Fiscal Year or such declaration shall be made on any earlier date on which the Trustee receives official, specific written notice from the District that the Lease will not be renewed. In order to declare an Event of Nonappropriation, the Trustee shall send written notice thereof to the District.

(b) The Trustee shall waive any Event of Nonappropriation which is cured by the District, within 30 days of the receipt by the District of notice from the Trustee as provided in (a) above, by a duly effected Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

(c) Pursuant to the terms of the Indenture, the Trustee may waive any Event of Nonappropriation which is cured by the District within a reasonable time with the procedure described in (b) above.

If, during the Initial Term or any Renewal Term, any Additional Rentals become due which were not included in a duly effected Appropriation and moneys are not specifically budgeted and appropriated or otherwise made available to pay such Additional Rentals within 60 days subsequent to the date upon which such Additional Rentals are due, an Event of Nonappropriation is deemed to have occurred, upon notice by the Trustee to the District to such effect (subject to waiver by the Trustee).

If an Event of Nonappropriation occurs, the District is not obligated to make payment of the Base Rentals or Additional Rentals or any other payments under the Lease which accrue after the last day of the Initial Term or any Renewal Term during which such Event of Nonappropriation occurs; provided, however, that subject to certain limitations set forth in the Lease, the District shall continue to be liable for Base Rentals and Additional Rentals allocable to any period during which the District continues to occupy, use, or retain possession of the Leased Property.

Subject to the holdover provisions set forth in the Lease, the District is required to vacate or surrender possession of the Leased Property by March 1 of the Fiscal Year immediately following the Fiscal Year in which an Event of Nonappropriation has occurred. After March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred, the Trustee may proceed to exercise all or any Lease Remedies.

Upon the occurrence of an Event of Nonappropriation, (a) the Trustee is entitled to all moneys then being held in all funds created under the Indenture (except the Rebate Fund and any other defeasance escrow accounts) and (b) all property, funds, and rights then held or acquired by the Trustee upon the termination of the Lease by reason of an Event of Nonappropriation are to be held by the Trustee as set forth in the Indenture.

Holdover Tenant

If the District fails to vacate the Leased Property after termination of the Lease, whether as a result of the occurrence of an Event of Nonappropriation or an Event of Lease Default, with the written permission of the Trustee the District will be deemed a holdover tenant on a month-to-month basis, and will be bound by all the terms, covenants and agreements of the Lease. Any holding over by the District without the written permission of the Trustee is considered to be at sufferance. The amount of rent to be paid monthly during any period when the District is deemed to be a holdover tenant will be equal to (a) one-sixth of the Interest Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date plus one-twelfth of the Principal Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date on which a Principal Portion of the Base Rentals would have been payable with appropriate adjustments to ensure the full payment of such amounts on the due dates thereof in the event termination occurs during a Renewal Term plus (b) Additional Rentals as the same shall become due.

Title to the Leased Property

At all times during the Lease Term, title to the Leased Property shall remain in the District, subject to the Site Lease, the Lease, the Indenture and any other Permitted Encumbrances. Except for personal property purchased by the District at its own expense pursuant to the Lease, a leasehold estate in the Leased Property and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Trustee until the Trustee has exercised Lease Remedies or until the Trustee's leasehold interest in the Leased Property is conveyed to the District as provided in the Lease, or until termination of the Site Lease, notwithstanding (a) the occurrence of an Event of Nonappropriation; (b) the occurrence of one or more Events of Lease Default; (c) the occurrence of any event of damage, destruction, condemnation, or construction, manufacturing or design defect or title defect; or (d) the violation by the Trustee of any provision of the Site Lease or the Lease. The Trustee shall not, in any way, be construed as the owner of the Leased Property.

No Encumbrance, Mortgage or Pledge of the Leased Property

Except as may be permitted by the Lease, the District shall not permit any mechanic's or other lien to be established or remain against the Leased Property; provided that, if the District shall first notify both the Trustee of the intention of the District to do so, the District may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of Counsel, by nonpayment of any such items the Trustee's leasehold interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the District is required to promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Trustee will cooperate in any such contest. Except as may be permitted by the Lease, the District shall not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Leased Property, except Permitted Encumbrances. The District is required to promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, or claim not excepted above.

Maintenance and Modification of the Leased Property

Maintenance of the Leased Property by the District. Subject to its right to not appropriate and as otherwise provided in the Lease with respect to damage, destruction, or condemnation, the District has agreed that at all times during the Lease Term, the District will maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved, and kept, in good repair, working order, and condition, and from time to time make or cause to be made all necessary and proper repairs,

including replacements, if necessary. The Trustee has no responsibility for the making any additions, modifications, or replacements to the Leased Property.

Modification of the Leased Property; Installation of Furnishings and Machinery. The District is permitted to make additions, modifications, and improvements to the Leased Property, at its own cost and expense, as appropriate and any such additions, modifications, and improvements to the Leased Property shall be the property of the District subject to the Site Lease, the Lease, and the Indenture and shall be included under the terms of the Site Lease, the Lease, and the Indenture; provided, however, that such additions, modifications, and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than lawful governmental functions of the District (except to the extent of permitted subleasing) or cause the District to violate its tax covenant as provided in the Lease; and provided that the Leased Property, as improved or altered, upon completion of such additions, modifications, and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such making of additions, modifications, and improvements.

The District may also, from time to time in its sole discretion and at its own expense, install machinery, equipment, and other tangible property in or on any Leased Property. All such machinery, equipment, and other tangible property remains the sole property of the District in which the Trustee shall not have any interest. However, title to any such machinery, equipment, and other tangible property shall become part of the Leased Property and be included under the terms of the Lease to the extent that (a) any such machinery, equipment, or other tangible property is permanently affixed to the Leased Property or (b) the removal of such machinery, equipment, or other tangible property would damage or impair the Leased Property.

Taxes, Other Governmental Charges and Utility Charges

In the event that the Leased Property shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the District shall pay the amount of all such taxes, assessments, and governmental charges then due, as Additional Rentals. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the District shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during the upcoming Fiscal Year. Except for Permitted Encumbrances, the District shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Leased Property (including, without limitation, any taxes levied upon the Leased Property which, if not paid, will become a charge on the rentals and receipts from the Leased Property, or any interest therein, including the leasehold interests of the Trustee), or the rentals and revenues. The District shall also pay as Additional Rentals, as the same respectively become due, all utility and other charges and fees and other expenses incurred in the operation, maintenance, and upkeep of the Leased Property.

The District may, at its expense, in good faith contest any such taxes, assessments, utility, and other charges and, in the event of any such contest, may permit the taxes, assessments, utility, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of Counsel, by nonpayment of any such items the value of the Leased Property will be materially endangered or the Leased Property will be subject to loss or forfeiture, or the Trustee will be subject to liability, in which event such taxes, assessments, utility, or other charges shall be paid forthwith (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such taxes, assessments, utility, or other charges).

Required Insurance

During the Initial Term and each Renewal Term and until termination of the Lease Term pursuant to the provisions thereof, the District shall, at its own expense, cause casualty and property damage insurance to be carried and maintained with respect to the Leased Property in an amount at least equal to the replacement

cost of the Leased Property. Such insurance policy may have a deductible clause in an amount deemed reasonable by the District, provided that such deductible amount in excess of \$100,000 shall be covered by self-insurance of the District. Such insurance policy must explicitly waive any co-insurance penalty. The District may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other buildings and equipment as well, as long as such blanket insurance policies comply with the requirements hereof.

If the District shall insure against similar risks by self-insurance, the District may, at its election, provide for casualty and property damage insurance with respect to the Leased Property, partially or wholly by means of a self-insurance fund. If the District shall elect to self-insure, the District Representative shall annually furnish to the Trustee a certification of the adequacy of the District's reserves.

Upon the execution and delivery of the Lease and until termination of the Lease Term pursuant to the provisions thereof, the District shall, at its own expense, cause public liability insurance to be carried and maintained with respect to the activities to be undertaken by the District in connection with the use of the Leased Property, in an amount not less than the limitations provided in the Colorado Governmental Immunity Act (Article 10 of Title 24, Colorado Revised Statutes, as amended). The public liability insurance required by this Section of the Lease may be by blanket insurance policy or policies. The District, at its election, may provide for such public liability insurance, partially or wholly by means of a self-insurance fund as provided by applicable law, in compliance with the requirements hereof. Any such self-insurance shall be deemed to be insurance coverage under the Lease.

Any casualty and property damage insurance policy required by the Lease shall be so written or endorsed as to make losses, if any, payable to the District and the Trustee, as their respective interests may appear. All insurance policies issued pursuant to the Lease, or certificates evidencing such policies, shall be deposited with the Trustee. No employee of the District shall have the power to adjust or settle any casualty or property damage loss with respect to the Leased Property that reduces the value of the Leased Property, whether or not covered by insurance, without the prior written consent of the Trustee; except that losses not exceeding \$100,000 may be adjusted or settled by the District without the Trustee's consent. The Trustee shall have no responsibility for the monitoring, renewing, or receiving of the insurance policies, or the certificates evidencing such policies, or the documents pertaining thereto, except as provided in the Lease.

Granting of Easements

As long as no Event of Nonappropriation or Event of Lease Default shall have happened and be continuing, the Trustee shall upon the request of the District, (a) grant or enter into easements, permits, licenses, party wall and other agreements, rights-of-way (including the dedication of public roads), and other rights or privileges in the nature of easements, permits, licenses, party wall and other agreements and rights of way with respect to any property or rights included in the Lease (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from the Lease and any security interest or other encumbrance created thereunder; (b) release existing easements, permits, licenses, party wall and other agreements, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration; and (c) execute and deliver any instrument necessary or appropriate to grant, enter into or release any such easement, permit, license, party wall or other agreement, right-of-way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant, agreement, or release and (ii) a written application signed by the District Representative requesting such grant, agreement, or release and stating that such grant, agreement, or release will not materially impair the effective use or materially interfere with the operation of the Leased Property.

Damage, Destruction and Condemnation

Damage, Destruction and Condemnation. If, during the Lease Term (a) the Leased Property shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (b) title to, or the temporary or permanent use of, the Leased Property or the estate of the District or the Trustee in the Leased Property is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or entity acting under governmental authority; or (c) a breach of warranty or a material defect in the construction, manufacture, or design of the Leased Property becomes apparent; or (d) title to or the use of all or a portion of the Leased Property is lost by reason of a defect in title thereto; then the District shall be obligated to continue to pay Base Rentals and Additional Rentals pursuant to the Lease (subject to Article 6 of the Lease).

Obligation to Repair and Replace the Leased Property. The District and the Trustee, to the extent Net Proceeds are within their respective control, are required to cause such Net Proceeds of any insurance policies, performance bonds, or condemnation awards to be deposited in a separate trust fund. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement, or replacement of the Leased Property by the District, upon receipt of requisitions signed by the District Representative.

The District and the Trustee shall agree to cooperate and use their best reasonable efforts subject to the terms of the Indenture to enforce claims which may arise in connection with material defects in the construction, manufacture, or design of the Leased Property or otherwise. If there is a balance of any Net Proceeds allocable to the Leased Property remaining after such repair, restoration, modification, improvement, or replacement has been completed, this balance shall be used by the District, to: (a) add to, modify, or alter the Leased Property or add new components thereto, or (b) prepay the Base Rentals with a corresponding adjustment in the amount of Base Rentals payable under Exhibit C (Base Rentals Schedule) to the Lease or (c) accomplish a combination of (a) and (b).

Any repair, restoration, modification, improvement, or replacement of the Leased Property paid for in whole or in part out of Net Proceeds allocable to the Leased Property shall be the property of the District, subject to the Site Lease, the Lease, and the Indenture and shall be included as part of the Leased Property under the Lease.

Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, improvement, or replacement of the Leased Property required under Section 10.2 of the Lease, the District may elect to:

(a) complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the District are available for payment of such cost, any cost in excess of the amount of the Net Proceeds allocable to the Leased Property, and the District agrees that, if by reason of any such insufficiency of the Net Proceeds allocable to the Leased Property, the District shall make any payments pursuant to the provisions of this paragraph, the District shall not be entitled to any reimbursement therefor from the Trustee, nor shall the District be entitled to any diminution of the Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, payable under Article 6 of the Lease; or

(b) apply the Net Proceeds allocable to the Leased Property to the payment of the Purchase Option Price in accordance with Article 12 of the Lease, or an appropriate portion thereof. In the event of an insufficiency of the Net Proceeds for such purpose, the District shall, subject to the limitations of Section 6.1 of the Lease, pay such amounts as may be necessary to equal that portion of the Purchase Option Price

which is attributable to the Leased Property for which Net Proceeds have been received (as certified to the Trustee by the District); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price, such excess shall be used as directed by the District in the same manner as set forth in Section 10.2 of the Lease; or

(c) if the District does not timely budget and appropriate sufficient funds to proceed under either (a) or (b) above, an Event of Nonappropriation will be deemed to have occurred and, subject to the District's right to cure, the Trustee may pursue remedies available to it following an Event of Nonappropriation.

The above referenced election shall be made by the District within 90 days of the occurrence of an event specified in Section 10.1 of the Lease (Damage, Destruction and Condemnation). It is declared in the Lease to be the District's present intention that, if an event described in Section 10.1 of the Lease (Damage, Destruction and Condemnation) should occur and if the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration, modification, improvement or replacement of the Leased Property, the District would use its best efforts to proceed under either paragraph (a) or paragraph (b) above; but it is also acknowledged that the District must operate within budgetary and other economic constraints applicable to it at the time, which cannot be predicted with certainty; and accordingly the foregoing declaration shall not be construed to contractually obligate or otherwise bind the District.

Substitution of Leased Property

So long as no Event of Default or Event of Nonappropriation shall have occurred and be continuing, the District shall be entitled to substitute any improved or unimproved real estate (collectively, the "Replacement Property"), for any Leased Property then subject to the Site Lease, the Lease, and the Indenture, upon receipt by the Trustee of a written request of the District Representative requesting such release and substitution, provided that:

i. such Replacement Property shall have an equal or greater value and utility (but not necessarily the same function) to the District as the Leased Property proposed to be released, as determined by a certificate from the District to that effect;

ii. the fair market value of Replacement Property shall be not less than the fair market value of the Leased Property proposed to be released from the Lease and the Indenture, or, in the alternative, the fair market value of the Leased Property remaining after the proposed release shall be at least equal to the aggregate principal amount of the Certificates Outstanding. The fair market value of any improved or unimproved real property shall be determined by an M.A.I. appraisal report prepared by an independent real estate appraiser and submitted by the District to the Trustee; and

iii. the execution and delivery of such supplements and amendments to the Site Lease, as applicable, the Lease, and the Indenture and any other documents necessary to subject any Replacement Property to be substituted for the portion of the Leased Property to be released to the lien of the Indenture.

The Trustee shall cooperate with the District in implementing the District's rights to release and substitute property pursuant to the provisions described above and shall execute any and all conveyances, releases, or other documents necessary or appropriate in connection therewith. The District agrees that any cash paid to the Trustee pursuant to the provisions described above shall be used to redeem or defease Certificates Outstanding.

Purchase Option

The District has the option to purchase the Trustee's leasehold interest in the Leased Property on or after December 1, 20[36], but only if an Event of Lease Default or an Event of Nonappropriation has not occurred and is then continuing. The District shall give the Trustee notice of its intention to exercise its option not less than forty- five (45) days in advance of the date of exercise and shall deposit the required moneys with the Trustee on or before the date selected to pay the Purchase Option Price. The Trustee may waive such notice or may agree to a shorter notice period in the sole determination of the Trustee.

Conditions for Purchase Option

The Trustee shall transfer and release the Trustee's leasehold interests in the Leased Property to the District in the manner provided for in Section 12.3 of the Lease; provided, however, that prior to such transfer and conveyance, either:

(a) the District shall have paid the then applicable Purchase Option Price which shall equal the sum of the amount necessary to defease and discharge the Indenture as provided therein (i.e., provision for payment of all principal and interest portions of any and all Certificates which may have been executed and delivered pursuant to the Indenture shall have been made in accordance with the terms of the Indenture) plus any fees and expenses then owing to the Trustee; or

(b) the District shall have paid all Base Rentals set forth in Exhibit C (Base Rentals Schedule) to the Lease, for the entire maximum Lease Term, and all then current Additional Rentals required to be paid pursuant to the Lease.

At the District's option, amounts then on deposit in any fund held under the Indenture (except the Rebate Fund and excluding any other defeasance escrow funds) may be credited toward the Purchase Option Price.

Release of Portions of the Leased Property

When the principal component of Base Rentals paid by the District, plus the principal amount of any Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or deemed to be paid pursuant to Article VI of the Indenture, equals the amount set forth in Exhibit E to the Lease, the cost of the corresponding portion of the Leased Property set forth in Exhibit E (or of any property substituted for such portion of the Leased Property pursuant to any provision of the Lease) shall be deemed to have been fully amortized and the Trustee shall execute and deliver to the District all documents necessary to release such portion of the Leased Property from the provisions of the Site Lease and the Lease (or any property substituted for such portion of the Leased Property pursuant to any provision of the Lease) and the lien thereon granted to the Trustee pursuant to the Indenture; provided, however, that the fair value of the remaining Leased Property shall be at least equal to 100% of the aggregate principal amount of the Certificates Outstanding at the time of such release, as certified in writing by the District Representative. See "INTRODUCTION--Security for the Certificates; Termination of Lease - Release of Portion of Leased Property; Substitution of Leased Property."

Upon such release of a portion of the Leased Property, the Trustee shall execute and deliver to the District all documents necessary or appropriate to convey the Trustee's leasehold interest in such portion of the Leased Property to the District, free of all restrictions and encumbrances imposed or created by the Lease, the Site Lease or the Indenture, in substantially the manner described in "Conditions for Purchase Option" above. After such release and conveyance, the property so released and conveyed shall no longer be a part of the Leased Property for any purpose of the Lease, the Site Lease or the Indenture. The Trustee shall fully cooperate with the District in executing, delivering and recording, at the District's expense, such documents as may be necessary to effectuate the provisions described above.

Assignment by the Trustee; Replacement of the Trustee

The Lease may not be assigned by the Trustee for any reason other than to a successor by operation of law or to a successor trustee under the Indenture or with the prior written consent of the District which consent shall not be unreasonably withheld. The Trustee will notify the District of any assignment to a successor by operation of law.

If an Event of Lease Default or Event of Nonappropriation has occurred, the Trustee may act as provided in the Lease, including exercising the remedies set forth in Section 14.2 of the Lease, without the prior written direction of the District.

Assignment and Subleasing by the District

The Lease may not be assigned by the District for any reason other than by operation of law to a successor entity organized and created by fill or partial consolidation or merger with another political subdivision of the State of Colorado. However, the Leased Property may be subleased, as a whole or in part, by the District, without the necessity of obtaining the consent of the Trustee or any owner of Certificates subject to each of the following conditions:

- (a) The Leased Property may be subleased, in whole or in part, only to an agency or department of, or a political subdivision of, the State, or to another entity or entities with Approval of Special Counsel;
- (b) The Lease, and the obligations of the District thereunder, shall, at all times during the Lease Term remain obligations of the District, and the District shall maintain its direct relationships with the Trustee, notwithstanding any sublease;
- (c) The District shall furnish or cause to be furnished to the Trustee a copy of any sublease agreement; and
- (d) No sublease by the District shall cause the Leased Property to be used for any purpose which would cause the District to violate its tax covenants in the Lease.

Events of Lease Default

Any one of the following is an Event of Lease Default under the Lease:

- (a) failure by the District to pay any Base Rentals or Additional Rentals, which have been specifically appropriated by the District for such purpose, during the Initial Term or any Renewal Term, within five (5) Business Days of the date on which they are due; or
- (b) subject to the holdover tenant provisions of the Lease, failure by the District to vacate or surrender possession of the Leased Property by March 1 of the Fiscal Year immediately following the Fiscal Year in which an Event of Nonappropriation has occurred; or
- (c) failure by the District to observe and perform any material covenant, condition, or agreement on its part to be observed or performed under the Lease, other than as referred to in (a) or (b) (other than a failure to comply with the District's continuing disclosure undertaking), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied is received by the District from the Trustee unless the Trustee agrees in writing to an extension of such time prior to its expiration; however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not withhold its consent to an extension of such time if, in the Trustee's reasonable judgment, corrective action can be instituted by the District within the applicable period and diligently pursued until the default is corrected; or

- (d) failure by the District to materially comply with the terms of the Site Lease.

The foregoing provisions of the Lease are subject to the following limitations: (i) the District is obligated to pay the Base Rentals and Additional Rentals, which have been specifically appropriated by the District for such purpose, only during the Lease Term, except as otherwise expressly provided in the Lease; and (ii) if, by reason of Force Majeure, the District or the Trustee shall be unable in whole or in part to carry out any agreement on their respective parts in the Lease other than the District's agreement to pay the Base Rentals and Additional Rentals, the District or the Trustee, as the case may be, shall not be deemed in default during the continuance of such inability. The District and the Trustee each agree, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the District or the Trustee, as the case may be, from carrying out their respective agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the District.

Remedies on Default; Limitations on Remedies

Remedies on Default. Whenever any Event of Lease Default has happened and is continuing beyond any applicable cure period, the Trustee may, or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, take one or any combination of the following remedial steps:

- (a) terminate the Lease Term and give notice to the District to vacate and surrender possession of the Leased Property, which vacation and surrender the District agrees to complete within sixty (60) days from the date of such notice; provided, in the event the District does not vacate and surrender possession on the termination date, the holdover provisions of the Lease shall apply; or

- (b) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property; or

- (c) recover from the District: (i) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable under the Lease, during any period in which the District continues to occupy, use, or possess the Leased Property; and; (ii) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable by the District under the Lease during the remainder, after the District vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs; or

- (d) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, the Lease and the Indenture.

The Trustee shall also be entitled, upon any Event of Lease Default, to any moneys in any funds or accounts created under the Indenture (except the Rebate Fund or any other defeasance escrow accounts).

Limitations on Remedies. A judgment requiring a payment of money may be entered against the District by reason of an Event of Lease Default only as to the District's liabilities described in paragraph (c) above. A judgment requiring a payment of money may be entered against the District by reason of an Event of Nonappropriation only to the extent that the District fails to vacate and surrender possession of the Leased Property as required by the Lease, and only as to the liabilities described in paragraph (c)(i) above. The remedy described in paragraph (c)(ii) above is not available for an Event of Lease Default consisting of failure by the District to vacate and surrender possession of the Leased Property by the March 1 following an Event of Nonappropriation.

No Remedy Exclusive; Waivers

Subject to the limitations on remedies described in the preceding paragraph, no remedy conferred upon or reserved to the Trustee is exclusive, and every remedy is cumulative and in addition to every other remedy given under the Lease or existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or is to be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

The Trustee may waive any Event of Lease Default under the Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Payment of Base Rentals or Additional Rentals by the District shall not constitute a waiver of any breach or default by the Trustee under the Lease.

THE INDENTURE

General

The Indenture is being executed and delivered to provide for the execution, delivery, and payment of and security for the Certificates. The Certificates evidence proportionate interests in the right to receive Base Rentals under the Lease and other Revenues. The Indenture is being executed and delivered by the Trustee for the benefit of the Owners of the Certificates. The Trust Estate secures the payment of the principal of and interest on the Certificates.

The Certificates shall not constitute a mandatory charge or requirement of the District in any ensuing Fiscal Year beyond the current Fiscal Year, and shall not constitute or give rise to a general obligation or other indebtedness of the District or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the District, within the meaning of any constitutional or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the District to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the District's then current Fiscal Year.

Application of Revenues and Other Moneys

All Base Rentals payable under the Lease and other Revenues shall be paid directly to the Trustee. If the Trustee receives any other payments on account of the Lease, the Trustee shall immediately deposit the same as provided below.

Except as otherwise provided in the Lease, the Trustee shall deposit all Revenues and any other payments received in respect of the Lease, immediately upon receipt thereof, to the "2026 Certificates of Participation Base Rentals Fund" in an amount required to cause the aggregate amount on deposit therein to equal the amount then required to make the principal and interest payments due on the Certificates on the next Interest Payment Date. In the event that the Trustee receives Prepayments under the Lease, the Trustee shall apply such Prepayments to the Optional Redemption of the Certificates or portions thereof in accordance with the Indenture.

Funds and Accounts

The Indenture provides for the creation and establishment of the various funds and accounts as described in the following paragraphs. The Trustee holds these funds and accounts in trust for the benefit of the Owners of the Certificates.

Base Rentals Fund. The Base Rentals Fund shall be used for the deposit of all Revenues, upon receipt by the Trustee, except as otherwise provided in the Lease. Moneys in the Base Rentals Fund shall be used solely for the payment of the principal of and interest on the Certificates whether on an Interest Payment Date, at maturity, or upon prior redemption, except as provided in the Indenture with respect to transfers that may be made to the Rebate Fund.

The Base Rentals Fund shall be in the custody of the Trustee. Base Rental payments are due and payable to the Trustee on or before each May 15 and November 15 annually. The Trustee shall withdraw sufficient funds from the Base Rentals Fund to pay the principal of and interest on the Certificates as the same become due and payable whether on an Interest Payment Date, at maturity, or upon prior redemption, to the extent of the money on deposit therein.

Rebate Fund. A special fund is created and established under the Indenture to be held by the Trustee, and to be designated the “2026 Certificates of Participation Rebate Fund” (the “Rebate Fund”). There shall be deposited into the appropriate account in the Rebate Fund investment income on moneys in any fund created under the Indenture (except defeasance escrows), to the extent necessary to comply with the provisions of the relevant Tax Certificate. In addition to the deposit of investment income as provided in the Indenture, there shall be deposited into the appropriate account in the Rebate Fund moneys received from the District as Additional Rentals for rebate payments pursuant to the Lease; moneys transferred to an account in the Rebate Fund from any other fund created pursuant to the Indenture; and all other moneys received by the Trustee when accompanied by directions not inconsistent with the Lease or the Indenture that such moneys are to be paid into an account of the Rebate Fund. The District will cause (or direct the Trustee to cause) amounts on deposit in the appropriate account in the Rebate Fund to be forwarded to the United States Treasury at the address and times provided in the Tax Certificate, and in the amounts calculated to ensure that the District’s rebate obligations are met, in accordance with the District’s tax covenants in the Lease. Amounts on deposit in the Rebate Fund shall not be subject to the lien of the Indenture to the extent that such amounts are required to be paid to the United States Treasury.

If, at any time after the Trustee receives instructions by the District to make any payments from the Rebate Fund, the Trustee determines that the moneys on deposit in an account of the Rebate Fund are insufficient for the purposes thereof, and if the Trustee does not receive Additional Rentals or cannot transfer investment income so as to make the amount on deposit in the appropriate account in the Rebate Fund sufficient for its purpose, the Trustee may transfer moneys to an account in the Rebate Fund from the Base Rentals Fund. Any moneys so advanced shall be included in the District’s estimates of Additional Rentals for the ensuing Fiscal Year pursuant to the Lease and shall be repaid to the fund from which advanced upon payment to the Trustee of such Additional Rentals. Upon receipt by the Trustee of an opinion of Special Counsel acceptable to the Trustee to the effect that the amount in an account of the Rebate Fund is in excess of the amount required to be therein pursuant to the provisions of the relevant Tax Certificate, such excess shall be transferred to the Base Rentals Fund.

The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report. The District may, at its own expense, retain an independent firm of professionals in such area to calculate such rebate amounts.

Notwithstanding the foregoing, in the event that the Lease has been terminated or the District has failed to comply with Section 11.5 thereof so as to make the amount on deposit in the appropriate account in Rebate Fund sufficient for its purpose, the Trustee shall make transfers of investment income or of

moneys from the above-described funds in such combination as necessary to make the required payments to the Department of Treasury

Costs of Execution and Delivery Fund. A special fund is created and established with the Trustee under the Indenture and denominated the “2026 Certificates of Participation Costs of Execution and Delivery Fund.” Upon the delivery of the Certificates there shall be deposited into the Costs of Execution and Delivery Fund from the proceeds of the Certificates the amount directed by the Indenture. Payments from the Costs of Execution and Delivery Fund shall be made by the Trustee upon receipt of a statement or a bill for the provision of Costs of Execution and Delivery of the Certificates approved in writing by the District Representative and (a) stating the payee, the amount to be paid and the purpose of the payment, and (b) certifying that the amount to be paid is due and payable, has not been the subject of any previous requisition and is a proper charge against the Costs of Execution and Delivery Fund.

Any moneys held in the Costs of Execution and Delivery Fund shall be invested by the Trustee in accordance with the Indenture. The Trustee shall transfer all moneys remaining in the Costs of Execution and Delivery Fund to the credit of the Base Rentals Fund upon the final payment of all Costs of Execution and Delivery, as certified in writing by the District Representative. Any amounts remaining in the Costs of Execution and Delivery Fund ninety (90) days after the execution and delivery of the Certificates shall be credited to the Base Rentals Fund or to pay costs of the Project.

Moneys to be Held in Trust. The ownership of the Base Rentals Fund, the Costs of Execution and Delivery Fund, and all accounts within such Funds and any other fund or account created hereunder shall be held in trust by the Trustee for the benefit of the Owners of the Certificates; provided that moneys in the Rebate Fund shall be used only for the specific purpose described in “Rebate Fund” above.

Investment of Moneys

All moneys held as part of the Base Rentals Fund, the Rebate Fund, the Costs of Execution and Delivery Fund, or any other fund or account created under the Indenture (other than any defeasance escrow accounts) shall be deposited or invested and reinvested by the Trustee, at the written direction of the District, in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any fund or account created under the Indenture which shall interfere with or prevent withdrawals for the purpose for which the moneys so deposited or invested were placed in trust thereunder or for payment of the Certificates at or before maturity or interest thereon as required thereunder. The Trustee may make any and all such deposits or investments through its own investment department or the investment department of any bank or trust company under common control with the Trustee. Except as otherwise provided in the Indenture, deposits or investments shall at all times be a part of the fund or account from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund or account.

Events of Indenture Default

Each of the following shall be an Event of Indenture Default:

- (a) Failure to pay the principal of or premium, if any, on any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption;
- (b) Failure to pay any installment of interest on any Certificate when the same shall become due and payable; or
- (c) the occurrence of an Event of Lease Default.

An Event of Nonappropriation is not an Event of Indenture Default. Upon the occurrence of any Event of Indenture Default, the Trustee shall give notice thereof to the Owners of the Certificates. The Trustee shall waive any Event of Nonappropriation which is cured by the District within thirty (30) days of the receipt of notice by the Trustee as provided in the Lease, by a duly effected Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term. The Trustee may waive any Event of Nonappropriation which is cured by the District within a reasonable time with the procedure described in the preceding sentence.

Remedies

If any Event of Indenture Default occurs and is continuing, the Trustee may, or shall at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, enforce for the benefit of the Owners of the Certificates each and every right of the Trustee as the lessee under the Site Lease and the lessor under the Lease. In exercising such rights of the Trustee and the rights given the Trustee under the Indenture, the Trustee may, or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as to costs and expenses as provided in the Indenture, take such action as, in the judgment of the Trustee, would best serve the interests of the Owners of the Certificates, including calling the Certificates for redemption prior to their maturity in the manner and subject to the provisions of Section 4.05 of the Indenture and exercising the Lease Remedies provided in the Lease; provided, however, that such action shall not include consequential or punitive damages against the District.

Legal Proceedings by Trustee; Owners may Direct Proceedings; Limitations on Actions by Owners

Legal Proceedings by Trustee. If any Event of Indenture Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of all Outstanding Certificates and receipt of indemnity to its satisfaction, shall, in its capacity of Trustee hereunder:

(i) By mandamus, or other suit, action, or proceeding at law or in equity, enforce all rights of the Owners of the Certificates, including enforcing any rights of the Trustee in respect of the Trustee's leasehold interests in the Leased Property including its rights as lessor under the Lease and as lessee under the Site Lease and its rights under the Indenture and to enforce the provisions of the Indenture and any collateral rights hereunder for the benefit of the Owners of the Certificates; or

(ii) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Certificates; or

(iii) Take any other action at law or in equity that may appear necessary or desirable to enforce the rights of the Owners of Certificates.

Discontinuance of Proceedings by Trustee. If any proceeding commenced by the Trustee on account of any Event of Indenture Default is discontinued or is determined adversely to the Trustee, then the Owners of Certificates shall be restored to their former positions and rights hereunder as though no such proceeding had been commenced.

Owners of Certificates May Direct Proceedings. The Owners of a majority in aggregate principal amount of Outstanding Certificates shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with the Indenture or unduly prejudice the rights of minority Owners of Certificates.

Limitations on Actions by Owners of Certificates. No Owner of Certificates shall have any right to pursue any remedy hereunder unless:

- (i) the Trustee shall have been given written notice of an Event of Indenture Default;
- (ii) the Owners of at least a majority in aggregate principal amount of all Outstanding Certificates shall have requested the Trustee, in writing, to exercise the powers hereinabove granted to or pursue such remedy in its or their name or names;
- (iii) the Trustee shall have been offered indemnity satisfactory to it against fees, costs, expenses, and liabilities; and
- (iv) the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the provisions described above or any other provision of the Indenture, the obligation of the Trustee shall be absolute and unconditional to pay thereunder, but solely from the Revenues pledged under the Indenture, the principal of, premium, if any, and interest on the Certificates to the respective Owners thereof on the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

Application of Moneys in Event of Indenture Default

Any moneys received, collected or held by the Trustee following an Indenture Event of Default (except for moneys held in the Rebate Fund or any other defeasance escrow account) shall be applied in the following order:

- (a) To the payment of the reasonable costs of the Trustee, including, but not limited to, its counsel fees, and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;
- (b) To the payment of interest then owing on the Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference or priority of one Certificate over another or of any installment of interest over any other installment of interest; and
- (c) To the payment of principal or redemption price (as the case may be) then owing on the Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Certificate over another; and

The surplus, if any, shall be paid to the District.

Duties of the Trustee; Other Provisions Related to the Trustee

Duties of the Trustee. The Trustee accepts the provisions of the Site Lease, the Lease and the Indenture and accepts the trusts imposed upon it by the Indenture and agrees to perform said trusts, but only upon and subject to the express terms and conditions set forth in the Site Lease, the Lease and the Indenture, and no implied covenants or obligations shall be read into the Indenture, the Site Lease, or the Lease against the Trustee.

The Trustee covenants for the benefit of the Owners of the Certificates that the Trustee will observe and comply with its obligations under the Site Lease, the Lease, and the Indenture.

The Trustee shall at all times, to the extent permitted by law, defend, preserve and protect its interest in the Leased Property and the other property or property rights included in the Trust Estate and all the rights of the Owners under the Indenture against all claims and demands of all Persons whomsoever.

Before taking any action pursuant to the Indenture, the Trustee may require that satisfactory indemnity be furnished to it by the Certificate Owners for the reimbursement of all costs and expenses which it may incur and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state, or local statute, rule, law, or resolution related to the protection of the environment or hazardous substances, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

Compensation. During the Lease Term, the Trustee shall be entitled to payment and reimbursement for its reasonable fees and expenses for its services rendered under the Indenture as and when the same become due and all expenses reasonably and necessarily made or incurred by the Trustee in connection with such services as and when the same become due, as provided in Section 6.2 of the Lease.

Notice of Default; Right to Investigate. The Trustee shall, within thirty (30) days after it receives notice thereof, give written notice by first class mail to the Owners of the Certificates of all Events of Indenture Default known to the Trustee and send a copy of such notice to the District, unless such defaults have been remedied. The Trustee shall not be deemed to have notice of any Event of Indenture Default unless it has actual knowledge thereof or has been notified in writing of such Event of Indenture Default by the District or the Owners of at least 25% in aggregate principal amount of the Outstanding Certificates. The Trustee may, however, at any time request the District to provide full information as to the performance of any covenant under the Lease; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made an investigation into any matter related to the Site Lease, the Lease, and the Leased Property.

Obligation to Act on Defaults. If any Event of Indenture Default shall have occurred and be continuing of which the Trustee has actual knowledge or notice, the Trustee shall exercise such of the rights and remedies vested in it by the Indenture and shall use the same degree of care in their exercise as a prudent person would exercise or use in the circumstances in the conduct of his or her own affairs; provided, that if in the opinion of the Trustee such action may tend to involve extraordinary expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

Reliance on Requisition, etc. The Trustee may act on any written requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of the Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

The Trustee shall be entitled to rely upon opinions of Counsel and shall not be responsible for any loss or damage resulting from reliance in good faith thereon, except for its own negligence or willful misconduct.

Any action taken by the Trustee pursuant to the Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates delivered in exchange therefor or upon transfer or in substitution thereof.

Resignation and Removal of Trustee

The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the District not less than sixty (60) days before the date when it is to take effect; provided notice of such resignation is mailed by registered or certified mail to the Owner of each Outstanding Certificate at the address shown on the registration books. Such resignation shall take effect only upon the appointment of a successor Trustee. If no successor Trustee is appointed within sixty (60) days following the date designated for the resignation of the Trustee, the resigning Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds, or to other amounts due arising prior to the date of such resignation shall survive resignation.

Any Trustee may be removed at any time, after payment of all outstanding fees and expenses of the Trustee being so removed, by the District or by the Owners of a majority in principal amount of the Certificates then Outstanding, upon written notice being filed with the Trustee, the District and the Owner of each Outstanding Certificate at the address shown on the registration books. Such removal shall take effect only upon the appointment of a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds or to other amounts due arising prior to the date of such removal shall survive removal.

Appointment of Successor Trustee; Merger of Trustee

If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor and shall cause a notice of such appointment to be mailed by registered or certified mail to the Owners of all Outstanding Certificates at the address shown on the registration books. If the District fails to make such appointment within thirty (30) days after the date notice of resignation is filed, the Owners of a majority in principal amount of the Certificates then Outstanding may do so. If Owners have failed to make such appointment within sixty (60) days after the date notice of resignation is filed, the Trustee may petition a court of competent jurisdiction to make such appointment.

Any successor trustee shall be a national or State bank with trust powers or a bank and trust company or a trust company, in each case having capital and surplus of at least \$50,000,000, if there be one able and willing to accept the trust on reasonable and customary terms.

Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any sale, merger or consolidation of its corporate trust business to which any Trustee under the Indenture shall be a party, shall be the successor trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Environmental Matters

Any real property or interest in real property constituting any portion of the Trust Estate shall be subject to the following provisions:

(i) The Trustee's responsibilities for any interest in real property constituting any portion of the Trust Estate, prior to an Event of Indenture Default, shall be performed as Trustee on behalf of the Owners of the Certificates without any duty to monitor or investigate whether the real property constituting any portion of the Trust Estate complies with environmental laws or is subject to any Hazardous Substance.

(ii) Following an Event of Indenture Default, if the Trustee determines that the release, threatened release, use, generation, treatment, storage, or disposal of any Hazardous Substance on, under or about real property constituting any portion of the Trust Estate gives rise to any liability or potential liability under any federal, State, local or common law, or devalues or threatens to devalue such real property, the Trustee may take whatever action is deemed necessary by the Trustee to address the threatened or actual releases of Hazardous Substances, or to bring about or maintain such real property's compliance with federal, State, or local environmental laws and regulations.

Supplemental Indentures

Amendments Not Requiring Certificate Owners' Consent. The Trustee may, with the written consent of the District, but without the consent of, or notice to, the Owners, enter into such indentures or agreements supplemental hereto, for any one or more or all of the following purposes:

- (a) to grant additional powers or rights to the Trustee;
- (b) to make any amendments necessary or desirable to obtain or maintain a rating from any Rating Agency rating the Certificates;
- (c) to authorize the execution and delivery of Additional Certificates for the purposes and under the conditions set forth in the Indenture;
- (d) to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Base Rentals allocable to the Certificates; or
- (e) for any purpose not inconsistent with the terms of the Indenture or to cure any ambiguity, or to correct or supplement any provision contained in the Indenture which may be defective or inconsistent with any other provisions contained in the Indenture or to make such other amendments to the Indenture which do not materially adversely affect the interests of the Owners of the Certificates.

Amendments Requiring Certificate Owners' Consent.

(a) Exclusive of supplemental indentures and amendments covered by the Indenture, the written consent of the District and the consent of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, shall be required for any indenture or indentures supplemental hereto.

(b) Notwithstanding the foregoing, without the consent of the Owners of all the Certificates at the time Outstanding nothing contained in the Indenture shall permit, or be construed as permitting:

(i) A change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Certificate, or a reduction in the principal amount of or premium payable upon any redemption of any Outstanding Certificate or the rate of interest thereon, without the consent of the owner of such Certificate;

(ii) The deprivation of the owner of any Certificate then Outstanding of the lien created by the Indenture (other than as originally permitted thereby) without the consent of the Owner of such Certificate;

(iii) A privilege or priority of any Certificate or Certificates over any other Certificate or Certificates (except with respect to the possible subordination of Additional Certificates); or

(iv) A reduction in the aggregate principal amount of the Certificates required for consent to such supplemental indenture.

If at any time the District shall request the Trustee to enter into a supplemental indenture which requires the consent of the Certificate Owners, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed to the registered owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Certificate Owners. If, within 60 days or such longer period as shall be prescribed by the District following the mailing of such notice, the required consents have been furnished to the Trustee as provided in the Indenture, no Certificate Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

Amendment of the Lease and the Site Lease

The Trustee and the District shall have the right to amend the Lease and the Site Lease, without consent of the Owners of the Certificates, for one or more of the following purposes:

(a) to add covenants of the Trustee or the District or to grant additional powers or rights to the Trustee;

(b) to make any amendments necessary or desirable to obtain or maintain a rating from any Rating Agency of the Certificates;

(c) to more precisely identify the Leased Property, including any substitutions, additions or modifications to the Leased Property as the case may be, as may be authorized under the Site Lease and the Lease;

(d) to make additions to the Leased Property, amend the schedule of Base Rentals and make all other amendments necessary for the execution and delivery of Additional Certificates in accordance with Section 2.08 of the Indenture;

(e) to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Base Rentals allocable to the Certificates; or

(f) for any purpose not inconsistent with the terms of the Indenture or to cure any ambiguity or to correct or supplement any provision contained therein or in any amendment thereto which may be defective or inconsistent with any other provision contained therein or in the Indenture or in any amendment thereto or to make such other amendments to the Lease or the Site Lease which do not materially adversely affect the interests of the Owners of the Certificates.

If the Trustee or the District proposes to amend the Lease or the Site Lease in such a way as would materially adversely affect the interests of the Owners of the Certificates, the Trustee shall notify the Owners of the Certificates of the proposed amendment and may consent thereto only with the consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates; provided, that the Trustee shall not, without the unanimous consent of the Owners of all Outstanding Certificates, consent to any amendment which would (1) decrease the amounts payable in respect of the Lease, or (2) change the Base Rentals Payment Dates, or (3) change any of the prepayment provisions of the Lease.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the District and the Municipal Advisor take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Certificates, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Certificates and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book entry-system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Certificates; DTC’s records reflect only the identity

of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of the Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Certificates are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Certificates purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Certificates by causing the Direct Participant to transfer the Participant's interest in the Certificates, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Certificates to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Certificate certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Trustee believes to be reliable, but the Trustee takes no responsibility for the accuracy thereof.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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**COLORADO RIVER FIRE PROTECTION DISTRICT,
GARFIELD COUNTY, COLORADO**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of June 30, 2026, is between Colorado River Fire Protection District, in Garfield County, Colorado (the “District”), and Zions Bancorporation, National Association, as dissemination agent, and is executed and delivered in connection with the District’s authorization, execution and delivery of a Lease Purchase Agreement, dated as of June 30, 2026 (the “Lease”), between Zions Bancorporation, National Association, solely in its capacity as trustee under the Indenture described herein (the “Trustee”), as lessor, and the District, as lessee, and the execution and delivery of the Certificates of Participation, Series 2026 in the aggregate principal amount of \$10,000,000* (the “Certificates”) evidencing proportionate interests in the base rentals and other revenues under the Lease. The 2026 Certificates are being executed and delivered pursuant to an Indenture of Trust, dated June 30, 2026 (the “Indenture”), executed by the Trustee. The District covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement, which Annual Report shall include the audited financial statements for the District.

“*Authorizing Resolution*” means the resolution adopted by the Board on April 14, 2026, authorizing the issuance of the Certificates.

“*Board*” means the Board of Directors of the District.

“*Certificates*” means the District’s Certificates of Participation, Series 2026 evidencing a proportionate interest in the base rentals and certain other revenues under an annually renewable Lease Purchase Agreement, dated as of June 30, 2026, entered into between Zions Bancorporation, National Association, solely in its capacity as trustee under the Indenture, as lessor, and the District, as lessee.

* Preliminary, subject to change.

“*Dissemination Agent*” means, initially, Zions Bancorporation, National Association, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Fiscal Year*” means the calendar year commencing on January 1 of each year and ending on December 31 of the same calendar year.

“*Listed Events*” means any of the events listed in Section 5 of this Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“*Official Statement*” means the final Official Statement prepared in connection with the Certificates.

“*Participating Underwriter*” means the original underwriter of the Certificates required to comply with the Rule in connection with an offering of the Certificates.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Agreement.

“*SEC*” means the Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the District’s fiscal year of each year, commencing nine (9) months following the end of the District’s fiscal year ending December 31, 2026, and in no event later than September 30 of each year, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than ten (10) business days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if the District has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Agreement as Exhibit “A.”

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If

audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided at such time, and audited financial statements will be provided thereafter when and if available.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Certificates.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB’s Internet Web Site or filed with the SEC. The District shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The District shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Certificates. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Certificates.

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, *if material*;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (g) Modifications to rights of bondholders, *if material*;
- (h) Bond calls, *if material*, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Certificates, *if material*;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

(o) Incurrence of a financial obligation² of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, *if material*; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the District, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate upon the earliest of: (a) the date of legal defeasance, prior redemption or payment in full of all of the Certificates; (b) the date that the District shall not constitute an "obligated person" within the meaning of the Rule; or (c) the date on which those portions of the Rule which require this written undertaking are held to be invalid

when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the District intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Certificates.

SECTION 8. Dissemination Agent.

(a) The District may, from time to time, appoint or engage a Dissemination Agent to assist the District in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the District elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement and no implied covenants or obligations shall be read into this Agreement against the Dissemination Agent. The District agrees, to the extent permitted by law and under the terms of the Indenture, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent may resign as dissemination agent hereunder at any time upon thirty (30) days prior written notice to the District. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Report prepared by the District pursuant to this Disclosure Agreement. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

(b) In addition to the filing duties on behalf of the District described in this Disclosure Agreement, the Dissemination Agent shall:

(i) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(ii) send written notice to the District at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) upon request certify in writing to the District that the Annual Report has been provided pursuant to this Disclosure Agreement and the date it was provided.

(iv) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Agreement as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement and may waive any provision of this Disclosure Agreement, without the consent of the holders and beneficial owners of the Certificates, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate

the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The District will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Agreement, any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking a court order of mandamus or similar writ to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance through mandamus or similar writ.

While the Dissemination Agent is also the Trustee, the Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, the Holders, the Beneficial Owners or any other party, nor shall it have any liability to the Holders, the Beneficial Owners or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from the breach of this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty to enforce compliance by the District hereunder.

SECTION 12. No Third-Party Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Colorado without regard to choice of law analysis. Venue for any judicial proceeding to enforce or interpret this Disclosure Agreement shall be in the District Court located in Garfield County, Colorado.

SECTION 14. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the District and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed in their respective names, all as of the date first above written.

**COLORADO RIVER FIRE PROTECTION
DISTRICT, GARFIELD COUNTY,
COLORADO**

By _____
President of the Board, Colorado River Fire
Protection District

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,**
as Dissemination Agent

By: _____
Title: Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of District: Colorado River Fire Protection District, in Garfield County, Colorado (the “District”).

Name of Issue: Certificates of Participation, Series 2026 evidencing a proportionate interest in the base rentals and certain other revenues under an annually renewable Lease Purchase Agreement, dated as of June 30, 2026, entered into between Zions Bancorporation, National Association, solely in its capacity as trustee under the Indenture, as lessor, and the District, as lessee (the “Certificates”).

Date of Issuance: June 30, 2026.

CUSIP No. _____ - _____.

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Certificates as required by the Resolution dated April 14, 2026, and by the Continuing Disclosure Agreement, dated as of June 30, 2026, between the District and Zions Bancorporation, National Association, as Dissemination Agent. The District has represented that the Annual Report will be filed by [date] .

Dated: _____, 20____.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

Budget Summary and Comparison – General Fund

History of Revenue, Expenditures and Changes in Fund Balance – General Fund

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June __, 2026

Colorado River Fire Protection District
1850 Railroad Ave
Rifle, Colorado 81650

Zions Bancorporation, National Association
7222 E. Layton Avenue
Denver, CO 80237

\$10,000,000*

CERTIFICATES OF PARTICIPATION, SERIES 2026
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an
Annually Renewable Lease Purchase Agreement, dated June 30, 2026,
between Zions Bancorporation, National Association, as Trustee, as lessor,
and the COLORADO RIVER FIRE PROTECTION DISTRICT,
(GARFIELD COUNTY, COLORADO), as lessee

Ladies and Gentlemen:

We have acted as special counsel to the Colorado River Fire Protection District (the “District”), in connection with its authorization, execution and delivery of the Site and Improvement Lease, dated as of June 30, 2026 (the “Site Lease”), between the District, as lessor, and Zions Bancorporation, National Association, solely in its capacity as trustee (the “Trustee”) under the Indenture (as hereinafter defined), as lessee, and the Lease Purchase Agreement, dated as of June 30, 2026 (the “Lease”), between the Trustee, as lessor, and the District, as lessee. Certificates of Participation, Series 2026, dated June 30, 2026, in the aggregate principal amount of \$10,000,000* (the “Certificates”), are authorized under an Indenture of Trust, dated as of June 30, 2026 (the “Indenture”), executed and delivered by the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Site Lease, the Lease, and the Indenture. The Certificates evidence proportionate interests in the Base Rentals and certain other revenues paid under the Lease, as provided in the Certificates, the Lease and the Indenture.

In such capacity as special counsel, we have examined certified proceedings of the Board of Directors of the District, the Site Lease, the Lease, the Indenture, the Certificates, and such other

* Preliminary, subject to change.

documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter.

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings of the District, certifications of the Trustee, certifications of the underwriter of the Certificates, and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as special counsel that:

1. The Site Lease and the Lease have been duly authorized by the District and duly executed and delivered by authorized officials of the District and, assuming due authorization, execution, and delivery by the Trustee, constitute valid and binding obligations of the District. None of the Site Lease, the Lease, or the Certificates constitutes a general obligation, other indebtedness, or multiple fiscal year financial obligation of the District within the meaning of any constitutional, or statutory debt limitation. Notwithstanding the foregoing, the District's failure specifically to budget and appropriate funds to make payments due under the Lease for the ensuing Fiscal Year will extinguish the obligations of the District to pay Base Rentals and Additional Rentals beyond the then current Fiscal Year.

2. Assuming the due authorization, execution, and delivery of the Site Lease, the Lease, and the Indenture by the Trustee, and the due execution and delivery of the Certificates by the Trustee, the Certificates evidence valid and binding proportionate interests in the right to receive certain payments under the Lease.

3. The portion of the Base Rentals which is designated in the Lease as interest and paid as interest on the Certificates (a) is excluded from gross income for federal income tax purposes under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and is exempt from federal alternative minimum tax on individuals; interest on the Certificates that is included in the "adjusted financial statement income" of certain corporations is not excluded from the federal corporate alternative minimum tax, and (b) is excludable from Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof; except that we express no opinion as to the effect which any termination of the District's obligations under the Lease may have upon the treatment for federal or Colorado income tax purposes of any moneys received or paid under the Indenture subsequent to such termination. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

The Certificates have been designated by the District as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Code.

The opinions expressed in this opinion letter are subject to the following:

The rights of the owners of the Certificates and the enforceability of the Certificates, the Site Lease and the Lease are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

In rendering the foregoing opinions, we are not opining upon matters relating to the corporate status of the Trustee, the power of the Trustee to execute or deliver the Site Lease, the Lease, the Indenture, or the Certificates, or the enforceability of the Site Lease, the Lease, the Indenture, or the Certificates against the Trustee.

In this opinion letter issued in our capacity as special counsel, we are opining only upon those matters set forth herein and we are not passing upon the accuracy, adequacy, or completeness of the Official Statement relating to the Certificates or any other statements made in connection with any offer or sale of the Certificates, or upon any federal or state tax consequences arising from the receipt or accrual of interest with respect to, or the rights and obligations under, the Site Lease, the Lease, or the Certificates, except those specifically addressed above, or upon any matters pertaining to the priority of any security instrument executed in connection with this transaction, the existence of any liens or other encumbrances on the Leased Property, the ownership of or proper description of any property included in the Leased Property, or any other real estate matters related to the Leased Property.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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COLORADO RIVER FIRE PROTECTION DISTRICT

INTEGRITY. PROFESSIONALISM. COURAGE. COMPASSION

