LOWER VALLEY FIRE PROTECTION DISTRICT

Financial Statements and
Report of Independent Auditor
For the Year Ended December 31, 2025

LOWER VALLEY FIRE PROTECTION DISTRICT

TABLE OF CONTENTS
December 31, 2025

	Page Number
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS:	
Statement of Net Position and Governmental Fund Balance Sheet	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund and Statement of Activities	7
Reconciliation of Statement of Revenues, Expenditures and Change in the Fund Balances of the Governmental Fund to the Statement of Activities	8
Notes to the Financial Statements	9
REQUIRED SUPPLEMENTAL INFORMATION	
Statewide Defined Benefit Plan	
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)	29
Schedule of the District's Contributions	29
Volunteer Pension Plan	
Schedule of change in Net Pension Liability/(Asset) and Related Ratios Multiyear	30
Schedule of Contributions Multiyear	31
Statement of Revenue, Expenditures –Budget and Actual General Fund	32

Blair and Associates, P.C.
Cedaredge, Colorado

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lower Valley Fire Protection District
P.O. Box 520
Fruita, Colorado 81521-0520

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Certified Public Accountants
105 S.E. Frontier Ave, Suite A Cedaredge, CO 81413 | 970-856-7550 | 970-856-2122 | www.bandacpas.com

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

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

Required Supplementary Information

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

Blair and Associates, P.C.

Cedaredge, Colorado
April 13, 2026

LOWER VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

The discussion and analysis are designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District financial issues and activities. Please read it in conjunction with the District's financial statements that follow the Management's Discussion and Analysis.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a Government-type activity. The following statements and schedules are included:

- Statement of Net Position and governmental fund balance sheet – reports the District's current financial resources (short-term spendable resources with capital assets and short and long-term obligations). (See page 6)

- Statement of revenue, expenditures, and changes in fund balances – governmental and statement of activities – reports the District operating and non-operating revenues by major source along with operating and non-operating expenditures. (See page 7)

- Statement of revenues, expenditures, and change in fund balance actual and budget – compares the District's budgeted and actual revenues and expenditures for the year ended December 31, 2025 (See pages 32)

STATEMENT OF NET POSITION

The following table shows the condensed statement of Net Position for the past two years.

Years ended December 31,	2025	2024
Current assets	$ 7,176,831	$ 6,609,750
Net Pension Assets:		
Statewide Plan	-	-
Volunteer Plan	348,576	697,532
Deferred Outflows of Resources	848,924	950,333
Capital assets (net of depreciation)	5,226,645	4,829,287
Total assets and Deferred Outflows	13,600,976	13,086,902
Current liabilities	194,527	86,366
Net Pension Liability-SWDB	-	-
Long-term liabilities	144,181	193,365
Total liabilities	338,708	279,731
Deferred Inflows of Resources		
Property Taxes	3,080,573	2,748,769
Statewide Pension Plan	10,709	12,268
Volunteer Pensin Plan	108,747	129,884
	3,200,029	2,890,921
Net Position		
Invested in capital assets	5,226,645	4,829,287
Restricted for Tabor emergency	155,000	121,830
Restricted for Pensions	1,078,044	1,505,713
Nonspendable	37,635	32,158
Unrestricted	3,564,915	3,427,262
Total Net Position	$ 10,062,239	$ 9,916,250

The Net Position of the District increased $145,978 in 2025 to $10,062,228.

REVIEW OF REVENUES

Years ended December 31,	2025	2024
Operating revenue		
Charges for services	$ 1,411,236	$ 1,028,847
Total	1,411,236	1,028,847
Non-operating revenue		
Specific ownership tax	336,840	323,082
General property tax	2,922,919	3,148,398
Interest income	184,631	200,688
Other revenue	216,195	354,262
Grants	22,625	32,892
Total	3,683,210	4,059,322
Total revenue	$ 5,094,446	$ 5,088,169

The District's total revenues increased in 2025 by $36,291 from 2024. The increase in revenue was due mainly to an increase in charges for services. The property taxes were less in 2025 because of the "Backfill" received in 2024.

REVIEW OF EXPENDITURES

	2025	2024
Operating expenditures:		
Fire & ambulance operations	$ 4,997,311	$ 4,374,869
Depreciation	289,199	394,956
Pension activity	373,613	(68,430)
Capital outlays	(711,655)	(603,866)
Total Expenditures	$ 4,948,468	$ 4,097,529

The District's total expenditure increased in 2025 by $850,939, which was largely because of an increase in capital expense activity, fire and ambulance operations pension activity.

The major capital assets purchased, which are included in the $711,655 total for 2025, were as follows:

Vehicles	$ 448,983
Equipment	$ 197,504
Building improvements	$ 65,168

ECONOMIC AND OTHER FACTORS

The Lower Valley Fire Protection District was set up as an independent District and began operations in 1980. The District began receiving property tax revenues during 1980.

The economy of the Fire District's has started to grow slowly over the past several years. With the upward trend in the economy, we are starting to see an increase in not only growth but also call volume. With the downturn in the energy industry (oil and gas production), most of the increase has been due to residential housing and tourism and slight commercial.

FINANCIAL CONTACT

The District's financial statements are designed to present users (service users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Fire Chief, Lower Valley Fire Protection District, P.O. Box 520, Fruita, Colorado 81521, or 970-858-3133.

Lower Valley Fire Protection District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 655,695	$ -	$ 655,695
Investments	3,124,904		3,124,904
Accounts receivable (less allowance of $31,632)	274,161	-	274,161
Property taxes receivable	3,080,573	-	3,080,573
Other receivables	3,863	-	3,863
Prepaid Expenses	37,635	-	37,635
Net Pension Asset FPPA Volunteer	-	348,576	348,576
Capital Assets, being depreciation , net	-	5,226,645	5,226,645
TOTAL ASSETS	$ 7,176,831	5,575,221	12,752,052
DEFERRED OUTFLOW OF RESOURCES			
Pension FPPA SWDB	-	711,118	711,118
Pension FPPA Volunteer	-	137,806	137,806
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	848,924	848,924
LIABILITIES			
Accounts payable	101,866	-	101,866
Other current liabilities	572	-	572
Accrued payroll	92,089	-	92,089
Compensated absences	-	144,181	144,181
Net Pension Liability-SWDB	-	-	-
TOTAL LIABILITIES	194,527	144,181	338,708
DEFERRED INFLOW OF RESOURCES			
Property taxes	3,080,573	-	3,080,573
Pension FPPA Volunteer	-	108,747	108,747
Pension FPPA SWDB	-	10,709	10,709
TOTAL DEFERRED INFLOW OF RESOURCES	3,080,573	119,456	3,200,029
FUND BALANCE			
Emergency reserve - TABOR	155,000	(155,000)	-
Nonspendable	37,635	(37,635)	-
Unassigned	3,709,096	(3,709,096)	-
FUND BALANCE	3,901,731	(3,901,731)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES	$ 7,176,831		
NET POSITION			
Invested in capital assets, net of related debt		5,226,645	5,226,645
Restricted for:			
TABOR emergency		155,000	155,000
Pension SWDB		700,409	700,409
Pension Volunteer		377,635	377,635
Nonspendable		37,635	37,635
Unassigned		3,564,915	3,564,915
TOTAL NET POSITION		$ 10,062,239	$ 10,062,239

Adjustments to reconcile the governmental fund balance sheet to the statement of net position are as follows:	
Fund balance per general fund balance sheet	$ 3,901,731
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	5,226,645
Compensated absences	(144,181)
Pension activity	1,078,033
Net Position	$ 10,062,228

The notes to the financial statement are an integral part of this statement.

Lower Valley Fire Protection District
Statement of Revenue, Expenditures, and Change in Net Position-Governmental
and Statement of Activities
For the Year Ended December 31, 2025

	General Fund	Adjustments (See Page 8)	Statement of Activities
EXPENDITURES/EXPENSES			
Fire & ambulance-operation	$ 4,236,472	$ 49,184	$ 4,285,656
Capital outlay	711,655	(711,655)	-
Pension Activity	-	373,613	373,613
` Depreciation	-	289,199	289,199
Total expenditures/expenses	4,948,127	341	4,948,468
PROGRAM REVENUES			
Charges for services	1,411,236	-	1,411,236
Net program (expenses) revenue	(3,536,891)	(341)	(3,537,232)
GENERAL REVENUES			
Property taxes	2,812,093	-	2,812,093
Specific ownership	336,840	-	336,840
Public safety tax	110,826	-	110,826
Grant revenue	22,625	-	22,625
Interest income	184,631	-	184,631
Miscellaneous income	196,993	19,202	216,195
Total general revenues	3,664,008	19,202	3,683,210
Excess of Revenue over (Under) expenditures	127,116	18,861	
Change in net position			145,978
NET POSITION			
Beginning of the year	3,774,615	6,141,635	9,916,250
End of the year	$ 3,901,731	$ 6,160,496	$ 10,062,228

The notes to the financial statement are an integral part of this statement.

Amounts reported for the governmental activities in the statement of activities (page 6) are different because:

Excess of expenditures over revenues - general funds (page 7)	$	127,116
Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		711,655
Depreciation		(289,199)
Gain on disposal of fixed asset		19,202
		441,658
Change in Compensated Absences		(49,184)
GASB 68 Activity		(373,613)
Change in net position of governmental activities (page 7)	$	145,978

Note 1 - Summary of Significant Accounting Policies

The town of Fruita, Colorado, organized a Fire Protection Unit in 1972. This unit was split from the town in 1980 and became its own separate district known as the Lower Valley Fire Protection District. The purpose of the district is the prevention of fire and the protection of life and property in the event of fire, accident, disaster, and to provide emergency medical services.

Financial Reporting Entity

The Lower Valley Fire Protection District is a special district as defined by Colorado statutes and is governed by an elected board of directors. The Board of Directors has oversight, responsibility, and control over all activities within its boundaries. The board is not included in any other governmental "reporting entity" as defined by GASB pronouncement, since board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activities has been removed from these statements. *Governmental activities*, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government is reported separately from certain legally separate component units* for which the primary government is financially accountable. The District has no business-type activities or component units.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has only one governmental fund, the *General Fund.*

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 as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The District considers revenues to be available if they are collectible within 120 days except for property taxes, which are considered available, if they are collectible within 60 days after year-end.

Note 1 - Summary of Significant Accounting Policies - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued
Property taxes, and interest associated with the current year are susceptible to accrual and so have been recognized as revenues of the current year. 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 and claims and judgments, are recorded when payment is due.

The government reports the following major governmental fund:

The *General Fund* is the District's operating fund. It accounts for all financial resources of the government. additionally, the District reports the following fund type:

Fiduciary funds account for resources held for other parties outside the government. The District has one fiduciary fund the Pension Trust Fund that accounts for the activities of the assets held in the Fire and Police Member's Benefit Fund, an agent multi-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA).

As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the District's Fiduciary Fund and various other functions of the government as these are considered external to the government.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Budgets and Budgetary Accounting
In accordance with the State Budget Law, the District's Board of Directors holds public hearings, in the fall each year, to approve the budget and appropriate the funds for the ensuring year. The appropriation is at the total fund expenditures level and lapses at year-end. The district's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The budget is prepared on the same basis as that of the fund financial statements.

The detail of the budget calendar is outlined below:

October 15 – Deadline for Budget Officer to submit proposed budget to the government board. The Governing body must publish "Notice of Budget" upon receiving proposed budget.
December 15 – Deadline for certification of mil levy to the Board of County commissioners.
December 22 –Deadline for the Board of County Commissioners to levy taxes and to certify the levies to the Assessor.
December 31 - Statutory deadline for local governing body to adopt budget. A certified copy of the adopted budget must be sent to the Division of Local Government within 30 days of adoption.
On or before
December 31 - The District shall enact an ordinance appropriating the budget for the ensuing year.

Note 1 - Summary of Significant Accounting Policies - continued

Property Taxes Receivable

Property taxes are levied on December 22 of each year and attach as an enforceable lien on the property as of January 1. They are payable in full April 30, or in two equal installments due February 28 and July 31. The County bills and collects property taxes for the district. Property taxes collected by the County are remitted to the District in the subsequent month. Property taxes are reported as receivable and deferred revenue when levied and as revenue when collected in the following year.

Risk of Loss

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and volunteers; and natural disasters. The District maintains commercial insurance coverage for general liability, workers compensation, property, vehicles damage and liability, umbrella, management liability and public official bond. The District did not have any claim settlements more than coverage for each of the last three years.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental-type fund.

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 5 to 40 years and are depreciated on the straight-line method. It is the District's policy to capitalize individual items costing $1,000 or more. The District has no infrastructure assets.

Compensated Absences

Full time, regular staff members accrue PTO bi-weekly, and staff members are encouraged to take PTO annually. Staff members may accrue PTO from one year to the next. A maximum of 240 hours may be carried over. Any hours over the maximum annually will be cashed out. Upon separation, staff members will be cashed out for the remaining PTO hours. Hours must be accrued prior to being used. The Fire Chief may authorize employees to gift accrued, but unused hours to another employee in special circumstances.

	PTO Hours per Pay Period	
Years Completed	Administrative	Operations
0-5 years of service	4.62 hours	6.32 hours
6-9 years of service	6.46 hours	8.91 hours
10+ years of service	8.31 hours	11.49 hours

All full-time Staff members will accrue sick leave bi-weekly at the rate of 1.85 hours. Employer may require proof of the need for any such unscheduled use, including, without limitations, verification of the need for leave from a physician or medical provider and verification of fitness to return to work after such leave. Sick days not used cannot be turned in for pay during employment.

Note 1 - Summary of Significant Accounting Policies - continued

Sick Leave (56-Hour staff members)
Sick leave will accumulate bi-weekly at the rate of 2.58 hours. Staff members may continuously accumulate sick leave for purposes of use if illness occurs. Temporary Disability Leave will be granted to eligible staff members according to federal rules. Paid sick leave shall be authorized only if the staff member has accumulated the requisite hours to cover the absence. If the Staff member has not accumulated sufficient hours of sick leave, a period of unpaid sick leave may be granted. Sick days not used cannot be turned in for pay during employment

Payment upon Termination

For Staff members that have 10 years of full-time service or more and are in good standing (voluntarily separate employment) with the district, sick leave will be paid out at 30% of accrued, but unused hours. Other Staff members will not receive compensation for accrued, but unused, Sick Leave upon termination of employment

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balance
The District has approved the following Fund Balance policies:
Committed fund balances are approved by the District's Board via a majority vote. The District does not use the assigned fund balance designation.

The District considers restricted amounts to have been spent for purposes for which both restricted and unrestricted fund balance is available.

The District considers committed amounts to have been spent for purposes which any unrestricted fund balance classifications could have been used.

Net Position
Net position represents the difference between assets and liabilities. The balance invested in capital assets net of related debt consists of capital assets net of accumulated depreciation and related debt. Amounts are reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

Note 1 - Summary of Significant Accounting Policies - continued

The Entity also participates in the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS), administered by FPPA, which represents the assets of numerous separate plans that have been pooled for investment purposes. The net pension liabilities or assets, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the pensions have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow (expense) until that time. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An amendment of GASB statement No. 17 (GASB 68) and GASB Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – An amendment of GASB 68 (GASB 71).

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 71.

Subsequent Events
Management has reviewed subsequent events through the date of the audit report.

Note 2- Pension Plan –Non-Fire Fighter

The Lower Valley Fire Protection District provides a retirement plan for all its full-time non-Fire Fighter employees through the Colorado Retirement Association. The plan is a defined contribution money purchase plan. Employees participate in the plan immediately after employment. The employees and the District each contribute 6% of gross wages and the employee may voluntarily contribute from 6% to 10% of gross wages. In addition, to provide for past service benefits, participants may make lump sum contributions from time to time. Each employee is immediately vested 100% in his or her interest in the District's contribution. The total non-Fire Fighter payroll for the District for 2025 was $130,524. Both the District and the covered employees made the required contributions in the amount $7,831 (6%) for the District and $7,831 (6%) for the employees.

Note 3 – Defined Benefit Pension Plan – Volunteer Pension

Plan Description

The Entity contributes to the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS) administered by the Fire & Police Pension Association (FPPA). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org. For the measurement period ending December 31, 2024, the LVFDP included membership of 24 retirees and beneficiaries, 4 terminated vested members, for a total of 28 members.

Benefits Provided

Normal Retirement

A member is eligible for a normal retirement pension once the member has completed twenty years of credited service and has attained the age of 50. The monthly regular retirement benefit is $700. A supplemental monthly pension payment to a volunteer who has attained the age of 50 years and who has been in active service more than 20 years can receive an extended service amount up to 5% of the monthly pension amount per additional year of service. The amount cannot exceed a maximum of ten additional years. The district has 21 retired members, 3 beneficiaries, and 4 terminated vested members on January 1, 2025

Vested Retirement

A member with 10 or more but less than 20 years of service is eligible to receive a benefit of $35 per month times the number of vesting years.

Disability Retirement Benefit

A member is eligible for long-term disability for injuries in the line of duty. Long-term disability is a lifetime amount after one year of service of $500 per month.

Survivor Benefits

Survivor benefits are available at one-half of the amount of the normal retirement pension, or $350 per month. This amount is available to a survivor following death after normal retirement, following death in the line of duty as a volunteer firefighter before retirement eligible, and $350 following death after disability retirement. An additional amount of $17.50 per month is available following death after normal retirement with extended service amount per year of service and following death after vested retirement with 10 to 20 years of service per year of service. Survivors may include spouse, child under 18 years of age, or dependent parent. This annuity shall cease if the surviving spouse or dependent parent remarries, and dissolution of a subsequent marriage does not reinstate the annuity. Whenever the pension board increases the retirement pension payable to volunteer firefighters, that increase will also be applied to the pension benefits of survivors of firefighters killed in the line of duty.

Note 3 – Defined Benefit Pension Plan – Volunteer Pension-continued
Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Funeral Benefits
A one-time funeral benefit is paid of $450 in the event of a death of a member.

Contributions
The Entity contributes from proceeds of a property tax mill levy. The Plan is construed and enforced in accordance with Colorado Revised Statute Title 31, Article 30. Per CRS 31-30-1112, State contributions to any municipality or district must equal ninety percent of all amounts contributed by the municipality or district under section 31-30-1110 in the previous year, but, notwithstanding any other provision of this part 11, the state contribution shall not exceed one-half mill on the previous net valuation for assessment of the municipality or district assuming one hundred percent collection. For 2025, the Entity contributed $0, and the state's matching contribution was $0.

On December 31, 2025, the Entity reported a net pension liability/ (asset) of ($348,576). The net pension liability/ (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of January 1, 2025. The Entity recognized pension expense(income) of $396,723.

On December 31, 2025, the Entity 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	$ -	$
-		
Assumption Changes		-
Net difference between projected and actual earnings on pension plan investments	137,806	108,747
Total	$ 137,806	$ 108,747

Note 3 – Defined Benefit Pension Plan – Volunteer Pension-continued

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued

$29,059 is reported as net deferred outflows (inflows) of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 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:	
2026	$ 14,583
2027	47,309
2028	(21,593)
2029	(11,240)
2030	-
Thereafter	-
Total	$ 29,059

Actuarial Assumptions

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

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

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

Note 3 – Defined Benefit Pension Plan – Volunteer Pension-continued

Long-term Expected Return of Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023, are summarized in the following table:

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

The figures in the above table were supplied by Fire and Police Pension Association Staff.

Discount Rate

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%, 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 (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Proportionate share of the net pension liability/(asset)	$(161,513)	$(348,576)	$(504,993)

Note 4 – Fire & Police Statewide Defined Benefit Plan

Plan description

The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

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

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

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

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

Description of Benefits

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

Note 4 – Fire & Police Statewide Defined Benefit Plan

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.

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 O 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.

Note 4 – Fire & Police Statewide Defined Benefit Plan

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the total combined member and employer ontribution rate was 22.0 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.00 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.00 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

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

Note 4 – Fire & Police Statewide Defined Benefit Plan

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.

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA.

As reported in FPPA's Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2024 Annual Report, employer contributions to the Statewide Retirement Plan were $109,033,068 compared to total employer contributions of $109,037,538 on the Schedule of Employer Contributions. Adjustments were made to annualize employer contributions related to employers newly contributing to the plan, including employer departments completing reentry, and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the Statewide Retirement Plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

Contributions to the Plan from the Department were $197,567 for the year ended December 31, 2025.

Actuarial Valuation Dates

The collective total pension liability as of December 31, 2024, is based upon the January 1, 2025, actuarial valuation. The actuarially determined contributions as of December 31, 2024, are based upon the January 1, 2024 actuarial valuation.

Note 4 – Fire & Police Statewide Defined Benefit Plan
Collective Net Pension Liability/(Asset)

The components of the calculation of the net pension liability/(asset) of the SWDB plan for participating departments as of December 31, 2024, are shown in the following table:

		Measurement Date December 31, 2022
Total Pension Liability/(Asset)	$	6,719,776
Plan Fiduciary Net Position		6,719,776
Employers' Net Pension Liability/(Asset)		0
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		100.0%

Actuarial Assumptions
The actuarial valuation for the Statewide Defined Benefit Plan was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuation used the following actuarial assumption and other inputs:

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

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Tables for males and females, amount-weighted, then projected using the ultimate values of the MP-2020 projections scale for all years. The preretirement mortality assumptions 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.

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

Note 4 – Fire & Police Statewide Defined Benefit Plan

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, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	33.0%	7.00%
Equity Long/Short	6.0%	6.20%
Private Markets	34.0%	8.80%
Fixed Income-Rates	7.0%	5.00%
Absolute Return	9.0%	5.70%
Fixed Income-Credit	7.0%	6.50%
Cash	4.0%	4.20%
Total	**100%**	

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 SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation

Note 4 – Fire & Police Statewide Defined Benefit Plan

bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

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

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:

	1.00% Decrease 6.00%	**Single discount Rate Assumption 7.00%**	**1.00% Increase 8.00%**
Department's proportionate share of the net pension liability/(asset)	$695,291	$0	$0

Reconciliation of Collective Deferred Outflows and Inflows of Resources

The following tables present the SWDB collective deferral reconciliations showing beginning deferrals as of December 31, 2023, adding the current year collective deferrals and adjusting for the current year amortization of deferrals to arrive at the ending December 31, 2024, collective deferral amounts:

Deferred Outflows of Resources

	Difference Between Actual and Expected Experience	Changes in Assumptions	Net difference Between Projected and Actual Investment Earnings
Beginning Deferral Amounts as of Measurement Date, December 31, 2023	$ 271,346	$ 157,391	$ 194,801
Deferral Amounts Added	150,937	-	(168,838)
Total Amortization Amounts Recognized in Pension Expense	(79,904)	(34,857)	22,675
Current Year contribution	197,567	-	-
Outstanding Deferral Amounts as of Measurement Date, December 31, 2024	$ 539,946	$ 122,534	$ 48,638

Note 4 – Fire & Police Statewide Defined Benefit Plan

Deferred Inflows of Resources

	Difference Between Actual and Expected Experience	Change in Assumptions	Net Difference Between Projected and Actual Investment Earnings
Beginning Deferral Amounts as of Measurement Date, December 31, 2023	$ 13,037	$ -	$ -
Deferral Amounts Added	-	-	-
Total Amortization Amounts Recognized in Pension Expense	(2,328)	-	-
Outstanding Deferral Amounts as of Measurement Date, December 31, 2024	$ 10,709	$ -	$ -

$711,118 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

The following table presents the SWDB plan net amount of collective deferred inflows and outflows of resources that will be recognized in the collective pension expense for each of the subsequent five years and in the aggregate thereafter:

Year ended December 31,	
2025	$ 140,031
2026	206,907
2027	14,634
2028	21,704
2029	47,701
Thereafter	71,863

Collective Pension Expense

Collective Pension Expense/(Income)	For the Plan Year Ended December 31, 2024
Service Cost	$ 353,028
Interest on the Total Pension Liabilty	425,316
Current Period Benefit Charges	6,904
IRC 414(h)(2) Employer paid Member Contributions	(184,634)
Member Purchases of Service Credit	(13,043)
Projected earnings on Plan Investments	(424,477)
Pension Plan Administrative Expense	10,291
Other Charges in Plan fiduciary Net Position	(132)
Recognition of Outflow of Resources due to Liabilities	112,433
Recognitin of Outflow of Rewources due to Assets	(22,675)
Total Pension Expense/(Income)	$ 263,011

Note 5 – Statewide Death and Disability Plan

Plan Description – The District contributes to the Statewide Death and disability Plan (SWD & DP), a cost sharing multiple=employer death and disability plan administered by FPPA. The SWD & DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD & DP may include part-time police and fire employees. Contributions to the SWD & DP are used solely for the payment of death and disability benefits. Employers who are covered by Social security may elect supplementary coverage by the Plan. The Plan was established in Section 1098 pursuant to Colorado Revised Statutes. FPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD & DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.6% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.6% contribution may be paid entirely by the employer or the member, or it may be split between the employer and employee. The total contribution made by the District on behalf of the employees was $59,511 equal to the required contribution for the year.

Note 6 – Change in Fixed Assets

Governmental Activities:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Building & improvements	$ 3,929,276	$ 65,168	$ -	$3,994,444
Vehicles	3,219,028	-	721,674	2,497,354
Equipment	857,024	197,504	34,675	1,019,853
Office furniture & equipment	32,722	-	-	32,722
Total	8,038,050	262,672	756,349	7,544,373
Less accumulated depreciation	(3,255,491)	(289,199)	(256,852)	(3,287,838)
Projects in process	-	923,382	-	923,382
Land	46,728	-	-	46,728
Governmental activities capital assets, net	$ 4,829,287	$ 896,855	$499,497	$5,226,645

Depreciation expense for 2025 was $289,199.

Note 7 - Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit more than federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is equal to the depository insurance pursuant to definitions listed in GASB Standards. On December 31, 2025, the District's cash deposits had a bank balance of $495,822, all of which $250,000 is insured by FDIC and the balance is covered by PDPA. There was $200 uninsured cash on hand.

Note 7 - Deposits and Investments

On December 31, 2025, the deposits of the governmental activities consisted of the following:

Cash on hand		$ 280
Cash in bank accounts		655,415
	Total	$ 655,695

Investments

Colorado statutes specify in which instruments the units of local government may invest, this includes:

- Repurchase agreements.
- Obligations of the United States or obligations unconditionally guaranteed by the Unites States.
- Obligations of the State of Colorado and most general obligations of units of local government.
- Federally insured mortgages and student loans.
- Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments.

The District's investment policy follows Colorado statutes.

At year-end, the District had invested $3,124,904 in Colorado Government Liquid Assets Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to $1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. 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 investment owned by COLOTRUST. This pool is not required to and is not registered with the SEC. COLOTRUST funds are rated AAA by Standard and Poor's, Fitch's, and Moody's rating services. This investment is measured at Net Asset Value.

Note 8 - Tax, Spending, and Debt Limitation

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Note 8 - Tax, Spending, and Debt Limitation-continued

On May 2, 2000, the voters approved authorization for Lower Valley Fire Protection District to collect all sources of revenue and support without regard to any limitations contained within the amendment to the State Constitution, Article X, Section 20.

Required Supplemental Information

Schedule of the Department's Proportionate Share of the Net Pension Liability/ (Asset) Fire & Police Statewide Defined Benefit Plan as of December 31,

	2024	**2023**
Department's proportion of the net pension liability/(asset)	.134%	.134%
Department's proportionate share of the net pension liability/(asset)	$0	$0
Department's covered payroll	$1,372,158	$1,372,158
Department's proportionate share of the net pension liability/(asset) as a percentage of is covered payroll	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	100.0%

Schedule of Department Contributions Fire & Police Statewide Defined Benefit Plan as of December 31,

	2024	**2023**
Contractually required contribution	$156,887	$125,131
Contributions in relation to the contractually required contribution	$155,357	$130,355
Contribution deficiency (excess)	$(1,530)	$(5,204)
Department's covered payroll	$1,866,346	$1,372,158
Contributions as a percentage of covered payroll	10.5%	9.5%

LOWER VALLEY FIRE PROTECTION DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION-VOLUNTEER PENSION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIO INFORMATION

Measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ -	$ -	$ 2,615	$ 2,615	$ 2,615	$ 2,615	$ 19,514	$ 19,514	$ 19,419	$ 19,419
Interest on the Total Pension Liability	91,732	94,137	93,667	94,917	94,839	95344	97,817	96,146	82,871	81,415
Benefit Changes	234,444	-	-	-	-	-	-	-	101,042	-
Difference between Expected and Actual Experience	54,338	-	18,294	-	14,219	-	(5,812)	-	21,918	-
Assumption Changes	156,417	-	11,792		-	-	53,842	-	40,012	-
Benefit Payments	(138,878)	(118,440)	(118,302)	(112,584)	(108,585)	(101,880)	(96,570)	(90,310)	(86,375)	(76,650)
Net Change in Total Pension Liability	398,053	(24,303)	8,066	(15,052)	3,088	(3,921)	68,791	25,350	178,887	24,184
Total Pension Liability - Beginning	1,378,726	1,403,029	1,394,963	1,410,015	1,406,927	1,410,848	1,342,057	1,316,707	1,137,820	1,113,636
Total Pension Liability -Ending (a)	$ 1,776,779	$ 1,378,726	$ 1,403,029	$ 1,394,963	$ 1,410,015	$ 1,406,927	$ 1,410,848	$ 1,342,057	$ 1,316,707	$ 1,137,820
Plan Fiduciary Net Position										
Employer Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 116,492	$ -	$ 105,151
Pension Plan Net Investment Income	196,460	188,483	(185,911)	309,208	251,206	259,442	1,411	252,370	85,606	27,470
Benefit Payments	(138,878)	(118,440)	(118,302)	(112,584)	(108,585)	(101,880)	(96,570)	(90,310)	(86,375)	(76,650)
Pension Plan Administrative Expense	(8,485)	(9,786)	(7,373)	(7,480)	(5,979)	(7,950)	(8,819)	(9,745)	(2,821)	(4,643)
State of Colorado Supplemental Discretionary Payment	-	-	-	-	-	-	-	29,406	29,406	29,406
Net Change in Plan Fiduciary Net Position	49,097	60,257	(311,586)	189,144	136,642	149,612	(103,978)	298,213	25,816	80,734
Plan Fiduciary Net Position - Beginning	2,076,278	2,016,021	2,327,607	2,138,463	2,001,821	1,852,209	1,956,187	1,657,974	1,632,158	1,551,424
Plan Fiduciary Net Position - Ending (b)	$ 2,125,375	$ 2,076,278	$ 2,016,021	$ 2,327,607	$ 2,138,463	$ 2,001,821	$ 1,852,209	$ 1,956,187	$ 1,657,974	$ 1,632,158
Net pension Liability/(Asset) - Ending (a)-(b)	$ (348,596)	$ (697,552)	$ (612,992)	$ (932,644)	$ (728,448)	$ (594,894)	$ (441,361)	$ (614,130)	$ (341,267)	$ (494,338)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	119.62%	150.59%	143.69%	166.86%	151.66%	142.28%	131.28%	145.76%	125.92%	143.45%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

LOWER VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS MULTIYEAR-VOLUNTEER PENSION
December 31, 2023

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
a	b	c	d=b-c	e	f
2015	$ -	$ 134,557	$ (134,557)	N/A	N/A
2016	$ -	$ 29,406	$ (29,406)	N/A	N/A
2017	$ -	$ 145,898	$ (145,898)	N/A	N/A
2018	$ -	$ -	$ -	N/A	N/A
2019	$ -	$ -	$ -	N/A	N/A
2020	$ -	$ -	$ -	N/A	N/A
2021	$ -	$ -	$ -	N/A	N/A
2022	$ -	$ -	$ -	N/A	N/A
2023	$ -	$ -	$ -	N/A	N/A
2024	$ -	$ -	$ -	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

Lower Valley Fire Protection District
Statement of Revenues, Expenditures
Actual and Budget
For the Year Ended December 31, 2025

	General Fund		
	Budget Origianl & Final	Actual	Variance Favorable (Unfavorable)
Revenue:			
General property taxes	$ 2,808,777	$ 2,812,093	$ 3,316
Specific ownership tax	300,000	336,840	36,840
Public safety tax	100,000	110,826	10,826
Ambulance	760,000	1,411,236	651,236
Fire & ambulance service contracts	37,718	38,978	1,260
Grant Revenue	209,715	22,625	(187,090)
Interest income	122,750	184,631	61,881
Miscellaneous	236,906	158,015	(78,891)
Total Revenues	4,575,866	5,075,244	499,378
Expenditures:			
Administrative:			
Salaries	2,550,019	2,464,311	85,708
Payroll benefits	829,808	778,103	51,705
Insurance	113,000	86,054	26,946
Office expense	46,200	29,141	17,059
Professional	29,000	24,345	4,655
Dues and fees	23,150	18,052	5,098
Travel and allowances	18,500	15,090	3,410
Treasurers fees	60,000	56,251	3,749
Education/training	52,300	33,170	19,130
Bad debt expense	-	273,598	(273,598)
Fire Prevention	10,500	1,556	8,944
Equipment Repairs and Maintenance			
Vehicles	10,350	2,373	7,977
Equipment	34,000	32,257	1,743
Fuel and oil	39,000	28,671	10,329
Communication:			
911 expense	104,000	107,066	(3,066)
Repairs land maintenance	82,000	116	81,884
Supplies			
EMS supplies	156,755	93,594	63,161
Fire supplies	166,162	99,066	67,096
Building and Grounds:			
Supplies and expense	75,700	93,658	(17,958)
Total Expenditures	4,400,444	4,236,472	163,972
Capital Outlay Major	978,000	711,655	266,345
Total	5,378,444	4,948,127	430,317
Revenue Over (Under) Expenditures	(802,578)	127,116	929,694
Beginning Net Position	3,333,802	3,774,615	440,813
Ending Net Position	$ 2,531,224	$ 3,901,731	$ 1,370,507