

LYONS FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2025

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Directors
Lyons Fire Protection District
Lyons, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of the Lyons Fire Protection District (the "District") as of and for the year ended December 31, 2025, 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 Lyons Fire Protection District as of December 31, 2025, and the respective changes in financial position, thereof 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lyons Fire Protection District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-v and the required budgetary and pension information on pages 28-32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information and other information have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luttrell & Associates, LLC

July 29, 2026

LYONS FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of Lyons Fire Protection District's (District) financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the District's financial statements which begin on page 1.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statement consists of three components: 1) the government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements detail functions of the District that are principally supported by tax revenues, grants and charges for services. The governmental activity of the District is public safety, primarily fire and emergency services.

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

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

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

The governmental fund financial statements can be found on pages 3 through 5 of this report. The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is on page 28 of this report.

Notes to Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 6 through 27 of this report.

Lyons Fire Protection District
Condensed Statement of Net Position
December 31,

	Governmental Activities	
	2025	2024
Assets		
Current Assets	\$ 3,036,829	\$ 2,363,812
Pension Assets	714,134	578,696
Capital assets	2,751,872	2,861,354
Total assets	<u>6,502,835</u>	<u>5,803,862</u>
Deferred outflows of resources	<u>413,870</u>	<u>563,542</u>
Liabilities		
Current liabilities	162,121	131,023
Long-term liabilities	68,850	134,739
Total liabilities	<u>230,971</u>	<u>265,762</u>
Deferred inflows of resources	<u>2,685,823</u>	<u>2,034,144</u>
Net Position		
Invested in capital assets, net of related debt	2,617,133	2,663,560
Restricted	68,500	70,400
Unrestricted	1,314,278	1,333,538
Total net position	<u>\$ 3,999,911</u>	<u>\$ 4,067,498</u>

Information: The District adopted an annual appropriated budget for the general fund. A budgetary comparison statement for the General Fund is on page 28 of this report. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information consisting of the schedules of revenues, expenditures, and changes in fund balance – budget to actual – Acquisition Fund and the summary of historical information of the Defined Benefit Pension Plans, which can be found on pages 29 through 33 of this report.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$3,999,911 at the close of the most recent fiscal year.

The District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and vehicles) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

From 2024 to 2025, the District's total assets increased \$698,973. The increase is due primarily to cash and the pension assets. Cash increased due to increased grant and ambulance revenue. The Pension asset is based on actuarial numbers. Total liabilities decreased \$34,791, mainly because of paying down long-term debt. The Statement of Net Position can be found on page 1.

Lyons Fire Protection District
Condensed Statement of Activities
December 31,

	Governmental Activities	
	2025	2024
Revenues		
Program Revenues		
Grants and donations	\$ 157,215	\$ 79,098
General Revenues		
Tax Revenues	1,913,145	2,011,066
Investment Earnings	28,089	30,341
Other Revenues	339,647	304,435
Total general revenues	2,280,881	2,345,842
Total Revenues	2,438,096	2,424,940
Expenses		
General Government	2,496,794	2,202,324
Interest on Long-Term Debt	8,889	11,602
Total Expenses	2,505,683	2,213,926
Increase (decrease) in Net Position	(67,587)	211,014
Beginning Net Position	4,067,498	3,856,484
Ending Net Position	\$ 3,999,911	\$ 4,067,498

The District's overall financial position, as measured by net position, decreased \$67,587 during 2025, primarily due to a decrease of tax revenue because assessed value decreased from 2024 to 2025.

Financial Analysis of the District's Funds

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's governmental funds follows.

Government Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and the balance of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Fund balances are detailed on page 3 of this report.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$506,287. Of this fund balance, \$68,500 is restricted, meaning it is not available for new spending, because it has already been committed for emergencies under Taxpayers' Bill of Rights (TABOR), debt service, and capital outlay. The \$339,531 of the fund balance is unreserved and undesignated.

General Fund Budgetary Highlights

Budget Variances: The budget to actual comparison details can be seen on pages 28 and 33 of the financial statements. General fund revenues exceeded the budget by \$7,925 primarily due to tax revenues. Actual expenditures were under budget by \$29,980 due to normal budget variances.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets as of December 31, 2024 amounted to \$2,663,560 (net of accumulated depreciation/amortization). The analysis of changes in capital assets is as follows:

Capital Assets (Net of Depreciation)			
	2025	2024	Change
Land	45,017	45,017	-
Buildings	1,187,315	1,230,424	(43,109)
Equipment	456,782	379,590	77,192
Vehicles	1,062,758	1,206,323	(143,565)
Total	2,751,872	2,861,354	(109,482)

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

Long-Term Obligations: At the end of the current fiscal year, the District had total outstanding long-term debt of \$134,739. The analysis of changes in long term debt is as follows:

Long-Term Obligations			
	2025	2024	Change
Capital Lease	134,739	197,794	(63,055)

During 2025, the District made the scheduled principal and interest payments on the capital lease. Additional information on the District's long-term obligations can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

The District experienced a decrease in the assessed value for 2026 of 5.362%. This equates to \$11,000 in lost property tax revenues of \$97,896. Property tax revenues are the largest source of revenue for the district and although there was a loss in property tax revenues, the district was able to balance the budget without funding from reserves.

In May 2025 the voters approved to increase the mill levy rate from \$15.6850 to \$22.0000. The board of directors and management will determine an appropriate tax rate within the approved mill levy rate for the upcoming budget years. The anticipation of increased tax revenue will be to fund reserves for operations and the capital needs of the district. The board of directors and management do not foresee any financial challenges or issues in the near future. Although tax revenue decreased from assessed value, overall tax revenue is expected to increase \$598,614 due to the mill levy rate increase.

Request for Information

The financial report is designed to provide a general overview of the District's finances for all those interested in the government's finances. Questions concerning any of the information provided in the report or additional financial information should be addressed to: Lyons Fire Protection District, P.O. Box 695, Lyons, CO 80540.

BASIC FINANCIAL STATEMENTS

LYONS FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2025

	Governmental Activities	
	2025	2024
ASSETS		
Cash and Investments	\$ 544,626	\$ 365,084
Receivables		
Property Taxes	2,434,310	1,827,462
Accounts	43,750	171,266
Prepaid Items	14,143	-
Net Pension Asset - Volunteer Pension	714,134	578,696
Capital Assets, not depreciated	45,017	45,017
Capital Assets, depreciated, net of accumulated depreciation	2,706,855	2,816,337
TOTAL ASSETS	6,502,835	5,803,862
DEFERRED OUTFLOWS OF RESOURCES		
Related to Volunteer Pension	121,838	191,569
Related to SWDB Pension	292,032	371,973
TOTAL DEFERRED OUTFLOWS OF RESOURCES	413,870	563,542
LIABILITIES		
Accounts Payable	23,705	24,479
Accrued Expenses	72,527	43,489
Noncurrent Liabilities		
Due within One Year	65,889	63,055
Due in More Than One Year	68,850	134,739
TOTAL LIABILITIES	230,971	265,762
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	2,434,310	1,827,462
Related to Volunteer Pension	102,577	109,178
Related to SWDB Pension	148,936	97,504
TOTAL DEFERRED INFLOWS OF RESOURCES	2,685,823	2,034,144
NET POSITION		
Net Investment in Capital Assets	2,617,133	2,663,560
Restricted for Emergencies	68,500	70,400
Unrestricted	1,314,278	1,333,538
TOTAL NET POSITION	\$ 3,999,911	\$ 4,067,498

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

LYONS FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position	
		Operating	Capital	Governmental Activities	
		Grants and	Grants and		
		Contributions	Contributions	2025	2024
PRIMARY GOVERNMENT					
Governmental Activities					
Fire Administration	\$ 1,966,220	\$ -	\$ -	\$ (1,966,220)	\$ (804,284)
Fire Fighting and Prevention	523,474	157,215	-	(366,259)	(1,315,135)
Other	7,100	-	-	(7,100)	(3,807)
Interest on Long-term Debt	8,889	-	-	(8,889)	(11,602)
Total Governmental Activities	<u>\$ 2,505,683</u>	<u>\$ 157,215</u>	<u>\$ -</u>	(2,348,468)	(2,134,828)
GENERAL REVENUES					
				1,831,560	1,945,137
				81,585	65,929
				28,089	30,341
				339,647	304,435
				2,280,881	2,345,842
				(67,587)	211,014
				4,067,498	3,856,484
				\$ 3,999,911	\$ 4,067,498

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

LYONS FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2025

	GENERAL FUND	ACQUISITION FUND	TOTAL GOVERNMENTAL FUNDS	
			2025	2024
ASSETS				
Cash and Investments	\$ 544,626	\$ -	\$ 544,626	\$ 365,084
Property Taxes Receivable	2,434,310	-	2,434,310	1,827,462
Interfund Receivable	-	-	-	2,706
Accounts Receivable	43,750	-	43,750	171,266
Prepaid Expenses	14,143	-	14,143	-
TOTAL ASSETS	<u>\$ 3,036,829</u>	<u>\$ -</u>	<u>\$ 3,036,829</u>	<u>\$ 2,366,518</u>
LIABILITIES				
Accounts Payable	\$ 23,705	\$ -	\$ 23,705	\$ 24,479
Interfund Payable	-	-	-	2,706
Accrued Expenses	72,527	-	72,527	43,489
TOTAL LIABILITIES	<u>96,232</u>	<u>-</u>	<u>96,232</u>	<u>70,674</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	2,434,310	-	2,434,310	1,827,462
Other Deferred Revenue	-	-	-	-
TOTAL DEFERRED REVENUE	<u>2,434,310</u>	<u>-</u>	<u>2,434,310</u>	<u>1,827,462</u>
FUND BALANCE				
Fund Balance				
Nonspendable	14,143	-	14,143	-
Restricted for Emergencies	68,500	-	68,500	70,400
Restricted for Acquisitions	-	-	-	(1,882)
Committed for Acquisitions	84,113	-	84,113	84,113
Unassigned	339,531	-	339,531	315,751
TOTAL FUND BALANCE	<u>506,287</u>	<u>-</u>	<u>506,287</u>	<u>468,382</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 3,036,829</u>	<u>\$ -</u>		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

2,751,872 2,861,354

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the funds. These include net pension assets \$714,134, deferred outflows related to pensions \$413,870 and deferred inflows related to pensions (\$251,513), and the capital lease of (\$134,739).

741,752 737,762

Net Position of governmental activities

\$ 3,999,911 \$ 4,067,498

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

LYONS FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL FUND	ACQUISITION FUND	TOTAL GOVERNMENTAL FUNDS	
			2025	2024
REVENUES				
Taxes	\$ 1,680,086	\$ 233,059	\$ 1,913,145	\$ 2,011,066
Grants and Donations	157,215	-	157,215	79,098
Interest	28,089	-	28,089	30,341
Miscellaneous	339,634	13	339,647	304,435
TOTAL REVENUES	2,205,024	233,072	2,438,096	2,424,940
EXPENDITURES				
Fire Administration	1,733,005	-	1,733,005	598,882
Firefighting, Prevention and Emergency Response	-	233,072	233,072	1,249,813
Training	62,696	-	62,696	38,805
Equipment Repair and Maintenance	130,869	-	130,869	177,158
Site and Buildings	33,068	-	33,068	29,123
Acquisitions	128,437	-	128,437	85,260
Volunteer Pension Contribution	-	-	-	-
Other	7,100	-	7,100	3,807
Debt Service				
Principal	63,055	-	63,055	60,342
Interest and Fiscal Charges	8,889	-	8,889	11,602
TOTAL EXPENDITURES	2,167,119	233,072	2,400,191	2,254,792
EXCESS OF REVENUES OVER EXPENDITURES	37,905	-	37,905	170,148
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(1,882)	1,882	-	-
TOTAL FINANCING SOURCES (USES)	(1,882)	1,882	-	-
NET CHANGE IN FUND BALANCES	36,023	1,882	37,905	170,148
FUND BALANCES, Beginning	470,264	(1,882)	468,382	298,234
FUND BALANCES, Ending	\$ 506,287	\$ -	\$ 506,287	\$ 468,382

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

LYONS FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 37,905
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$233,215), exceeded capital outlay \$123,733, for the current period.	(109,482)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. These include payments on bonds.	63,055
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>(59,065)</u>
Change in Net Position of Governmental Activities	<u>\$ (67,587)</u>

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

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lyons Fire Protection District was formed to provide fire protection and emergency medical services to the Town of Lyons and surrounding area within its boundaries. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the Lyons Fire Protection District (the “District”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

In accordance with governmental accounting standards, the Lyons Fire Protection District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Lyons Fire Fund

The District has established the Lyons Fire Fund as a 501(c)(3) supporting organization for the purpose of raising funds to augment the district budget to further its mission.

The activity of the Lyons Fire Fund will be included in the General Fund of the District.

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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment 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 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 instead as *general revenues*.

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all 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. 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.

Property taxes, specific ownership taxes, grants, 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 cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Acquisition Fund* accounts for the accumulation of resources for, and the payment of, capital equipment and other firefighting activities provided by the District.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two 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 assets' lives are not capitalized.

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

Buildings	50 years
Building Improvements	50 years
Machinery and Equipment	5 - 10 years
Vehicles	15 years

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District classifies Prepaid Expenses as nonspendable as these items are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Constitution for declared emergencies. In addition, the District has classified the Bond Fund as restricted because its use is restricted for debt service payments and has classified the Acquisition Fund as restricted because its use is restricted by a vote of taxpayers.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has committed resources to be set aside on an annual basis for future replacement of apparatus.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources.

Compensated Absences

Employees of the District are allowed to accumulate unused paid time off (PTO). Upon termination of employment with the District, an employee may be compensated for unused PTO at the current rate of pay. All PTO must be used by the end of the year or the employee will forfeit the paid time off.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes are levied on or before December 15 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Under State Law, the proposed budget must be submitted to the Board by October 15th of each year. District Management typically submits the proposed budget to the Board of Directors in September for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- At least one public hearing is conducted to obtain taxpayer comments.
- On or before December 15, the budget is legally enacted through passage of a resolution.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

NOTE 3: DEPOSITS AND INVESTMENTS

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

Cash Deposits	\$ 181,570
Investments	<u>363,056</u>
Total	<u><u>\$ 544,626</u></u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2025, the District had deposits with financial institutions with a carrying amount of \$181,570. The bank balances with the financial institutions were \$182,934. All of these balances were covered by federal depository insurance.

Investments

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado local governments.

Local Government Investment Pool

The District had invested \$363,056 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned 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 the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 4: CAPITAL ASSETS

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

	Balances <u>12/31/24</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/25</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 45,017	\$ -	\$ -	\$ 45,017
Capital Assets, depreciated				
Buildings and Improvements	1,939,662	-	-	1,939,662
Machinery and Equipment	616,633	123,733	-	740,366
Vehicles	2,538,757	-	-	2,538,757
Total Capital Assets, depreciated	<u>5,095,052</u>	<u>123,733</u>	<u>-</u>	<u>5,218,785</u>
Less Accumulated Depreciation				
Buildings and Improvements	709,238	43,109	-	752,347
Machinery and Equipment	237,043	46,541	-	283,584
Vehicles	1,332,434	143,565	-	1,475,999
Total Accumulated Depreciation	<u>2,278,715</u>	<u>233,215</u>	<u>-</u>	<u>2,511,930</u>
Total Capital Assets, depreciated, Net	<u>2,816,337</u>	<u>(109,482)</u>	<u>-</u>	<u>2,706,855</u>
Governmental Activities, Capital Assets, Net	<u>\$ 2,861,354</u>	<u>\$ (109,482)</u>	<u>\$ -</u>	<u>\$ 2,751,872</u>

Depreciation expense was charged to Fire Administration.

NOTE 5: LONG-TERM DEBT

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

	Balance <u>12/31/24</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/25</u>	Due In <u>One Year</u>
Lease	\$ 197,794	\$ -	\$ 63,055	\$ 134,739	\$ 65,889

Lease

In October 2024, the District entered into a Lease agreement with Community First National Bank to finance the Rosenbauer Fire Apparatus. The lease requires annual payments of principal and interest, accruing at a rate of 10.31% through 2027.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the Leases at December 31, 2025, are as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 65,889	\$ 6,055	\$ 71,944
2027	<u>68,850</u>	<u>3,094</u>	<u>71,944</u>
Total Debt Service Requirements	<u>\$ 134,739</u>	<u>\$ 9,149</u>	<u>\$ 143,888</u>

NOTE 6: DEFINED BENEFIT PENSION PLANS

Volunteer Firefighters' Pension Plan

Summary of Significant Accounting Policies

The District has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA"). The net pension liability, 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 Volunteer Plan 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. 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 years of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty and 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 Plan 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 Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS

Volunteer Firefighters' Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Funding Policy. An actuary is used to determine the annual required contribution ("ARC") necessary to maintain the actuarial soundness of the Plan. Colorado law requires the State to make an annual contribution to the Plan. 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 makes an additional contribution to support the plan.

The actuarial study as of January 1, 2025, 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 Plan.

At December 31, 2025 there are 26 retired volunteers receiving benefits, 14 active volunteers and 5 inactive, nonretired volunteers.

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

At December 31, 2025, the District reported a net pension asset of \$714,134. The net pension asset was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2025. Standard update procedures were used to roll forward the total pension liability to December 31, 2025.

For the year ended December 31, 2025, the District recognized pension income of \$70,276.

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$18,049
Net difference between projected and actual earnings on pension plan investments	\$105,176	\$84,528
Change in assumptions and other inputs	N/A	N/A
Contributions subsequent to the measurement date	\$16,662	N/A
Total	\$121,838	\$102,577

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

\$16,662 was reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2026	(\$6,897)
2027	\$35,494
2028	(\$17,093)
2029	(\$8,095)

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 fair value
Inflation	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.00%
Retirement Age:	50% per year of eligibility until 100% at age 65.
Mortality:	Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Liquidity	4.00%	4.20%
Fixed Income - Rates	7.00%	5.00%
Fixed Income - Credit	7.00%	6.50%
Diversifiers	9.00%	5.70%
Long Short	6.00%	6.20%
Global Public Equity	33.00%	7.00%
Private Markets	34.00%	8.80%
Total	100.0%	

Sensitivity of the District's net pension asset to changes in the discount rate. The following presents the net pension asset calculated using the discount rate of 7.00 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset	(\$601,735)	(\$714,134)	(\$808,312)

FPPA System Description. The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only.

FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement 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 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.

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

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.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

Description of Benefits (Continued)

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.

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.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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 2024, the total combined member and employer contribution 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 11.0 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, 2024, 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 17.0 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, 2024 through June 30, 2024 was 14.24 percent.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

Contributions (Continued)

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

At December 31, 2025 the District reported a net pension asset in the amount of \$0 for its proportionate share of the SRP Plan net pension asset. The SRP Plan net pension asset was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2024. Standard update procedures were used to roll forward the total pension liability to December 31, 2025. The District's proportion of the SRP Plan net pension asset was based on the District's contributions to the SRP Plan for the calendar year 2024 relative to the total contributions of participating employers to the SRP Plan.

At December 31, 2025, the District's proportion was 0.07359%, which was an increase of 0.01097% from its proportion measured as of December 31, 2024.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

For the year ended December 31, 2025 the District recognized SRP pension expense of \$84,160. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to SRP pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$151,360	\$4,734
Net difference between projected and actual earnings on pension plan investments	\$21,502	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$144,202
Change in assumptions and other inputs	\$54,170	N/A
Contributions subsequent to the measurement date	\$65,000	N/A
Total	\$292,032	\$148,936

\$65,000 reported as deferred outflows of resources related to SRP pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2025.

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

Year ended December 31	
2025	\$43,971
2026	\$73,536
2027	(\$11,465)
2028	(\$8,340)
2029	\$3,153
Thereafter	(\$22,759)

Actuarial assumptions. The actuarial valuations for the SRP Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions** (Continued)

The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2024
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.75 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2024
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.75 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy 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 the 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 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 & 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.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

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 SRP 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 SRP Plan's target asset allocation as of December 31, 2024 are summarized in the following table:

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

The discount rate used to measure the total SRP 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 FPPA Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SRP 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 payment) to determine the total pension liability.

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 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).

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Retirement Plan (Continued)

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

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net asset liability/(asset) to changes in the Single Discount Rate, the following presents the SRP Plan's net pension liability, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$353,201	-	-

Pension plan fiduciary net position. Detailed information about the SRP Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

NOTE 7: RISK MANAGEMENT

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 natural disasters. The District maintains insurance through a commercial carrier for these risks of loss. Settled claims have not exceeded coverage in the last three years.

NOTE 8: COMMITMENTS AND CONTINGENCIES

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District believes that disallowed expenses, if any, would not have a material effect on the overall financial position of the District.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

TABOR Amendment - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. The District has established an emergency reserve, representing 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2025, the emergency reserve of \$68,500 was recorded in the General Fund.

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through July 29, 2026. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTAL INFORMATION

LYONS FIRE PROTECTION DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2024 ACTUAL
REVENUES					
Property Taxes	\$ 1,594,794	\$ 1,616,379	\$ 1,598,501	\$ (17,878)	\$ 1,679,615
Specific Ownership Taxes	60,000	60,000	81,585	21,585	65,929
Grants and Donations	33,700	219,520	157,215	(62,305)	79,098
Interest	20,000	20,000	28,089	8,089	30,253
Miscellaneous	281,200	281,200	339,634	58,434	302,257
TOTAL REVENUES	1,989,694	2,197,099	2,205,024	7,925	2,157,152
EXPENDITURES					
Fire Administration	442,060	222,310	200,932	21,378	598,882
Firefighting, Prevention and Emergency Response	1,263,381	1,520,945	1,532,073	(11,128)	1,009,458
Training	22,050	62,969	62,696	273	38,805
Equipment and Repair	91,650	115,708	130,869	(15,161)	177,158
Site and Buildings	45,000	68,626	33,068	35,558	29,123
Acquisitions	-	106,238	128,437	(22,199)	85,260
Other	125,553	100,303	79,044	21,259	71,944
TOTAL EXPENDITURES	1,989,694	2,197,099	2,167,119	29,980	2,010,630
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	37,905	37,905	146,522
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	(1,882)	(1,882)	33,000
TOTAL SOURCES AND USES OF FUNDS	-	-	(1,882)	(1,882)	33,000
CHANGE IN FUND BALANCE	-	-	36,023	36,023	179,522
FUND BALANCE, Beginning	422,429	422,429	470,264	47,835	290,742
FUND BALANCE, Ending	\$ 422,429	\$ 422,429	\$ 506,287	\$ 83,858	\$ 470,264

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

December 31, 2025

<u>FY Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	(7,344)	44,866	(52,210)	N/A	N/A
2016	-	42,477	(42,477)	N/A	N/A
2017	-	44,790	(44,790)	N/A	N/A
2018	4,665	33,010	(28,345)	N/A	N/A
2019	4,665	49,942	(45,277)	N/A	N/A
2020	14,628	52,138	(37,510)	N/A	N/A
2021	14,628	45,516	(30,888)	N/A	N/A
2022	-	30,886	(30,886)	N/A	N/A
2023	-	31,292	(31,292)	N/A	N/A
2024	-	31,292	(31,292)	N/A	N/A

*Includes both employer and State of Colorado Supplementary Discretionary Payment

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
VOLUNTEER FIREFIGHTERS' PENSION PLAN

Measurement Period Ending December 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 20,566	\$ 20,566	\$ 26,042	\$ 26,042	\$ 21,089	\$ 21,089	\$ 15,307	\$ 15,307	\$ 9,708	\$ 9,708
Interest on the Total Pension Liability	58,972	61,634	71,035	74,734	71,662	73,939	73,848	74,853	73,097	73,647
Benefit Changes	-	61,397	-	-	-	74,425	-	-	-	-
Difference Between Expected and Actual Experience	-	5,505	-	(67,862)	-	(98,592)	-	(47,985)	-	(38,473)
Assumption Changes	-	19,726	-	48,431	-	-	-	11,446	-	-
Benefit Payments	(42,984)	(45,150)	(47,227)	(48,300)	(55,020)	(65,612)	(73,163)	(76,479)	(75,413)	(74,475)
Net Change in Total Pension Liability	36,554	123,678	49,850	33,045	37,731	5,249	15,992	(22,858)	7,392	(29,593)
Total Pension Liability - Beginning	797,298	833,852	957,530	1,007,380	1,040,425	1,078,156	1,083,405	1,099,397	1,076,539	1,083,931
Total Pension Liability - Ending	<u>\$ 833,852</u>	<u>\$ 957,530</u>	<u>\$ 1,007,380</u>	<u>\$ 1,040,425</u>	<u>\$ 1,078,156</u>	<u>\$ 1,083,405</u>	<u>\$ 1,099,397</u>	<u>\$ 1,076,539</u>	<u>\$ 1,083,931</u>	<u>\$ 1,054,338</u>
Plan Fiduciary Net Position										
Employer Contribution	\$ 26,646	\$ 27,847	\$ 30,691	\$ 33,010	\$ 35,312	\$ 37,508	\$ 16,256	\$ 16,256	\$ 16,662	\$ 16,662
Pension Plan Net Investment Income	18,991	57,480	163,983	578	179,092	184,138	230,681	(141,145)	148,888	159,077
Benefit Payments	(42,984)	(45,150)	(47,227)	(48,300)	(55,020)	(65,612)	(73,163)	(76,479)	(75,413)	(74,475)
Pension Plan Administrative Expenses	(4,041)	(1,976)	(12,752)	(12,906)	(14,354)	(7,887)	(9,711)	(11,979)	(11,691)	(10,049)
State of Colorado Supplemental Discretionary Payment	14,630	14,630	14,630	-	14,630	14,630	29,260	14,630	14,630	14,630
Net Change in Plan Fiduciary Net Position	13,242	52,831	149,325	(27,618)	159,660	162,777	193,323	(198,717)	93,076	105,845
Plan Fiduciary Net Position - Beginning	1,064,728	1,077,970	1,130,801	1,280,126	1,252,508	1,412,168	1,574,945	1,768,268	1,569,551	1,662,627
Plan Fiduciary Net Position - Ending	<u>1,077,970</u>	<u>1,130,801</u>	<u>1,280,126</u>	<u>1,252,508</u>	<u>1,412,168</u>	<u>1,574,945</u>	<u>1,768,268</u>	<u>1,569,551</u>	<u>1,662,627</u>	<u>1,768,472</u>
Net Pension Liability/(Asset)	\$ (244,118)	\$ (173,271)	\$ (272,746)	\$ (212,083)	\$ (334,012)	\$ (491,540)	\$ (668,871)	\$ (493,012)	\$ (578,696)	\$ (714,134)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	129.28%	118.10%	127.07%	120.38%	130.98%	145.37%	160.84%	145.80%	153.39%	167.73%
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/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
STATEWIDE RETIREMENT PLAN

Years Ended December 31,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportionate share of the Net Pension Liability (Asset)	0.013%	0.014%	0.013%	0.012%	0.026%	0.022%	0.036%	0.045%	0.063%	0.075%
District's proportionate share of the Net Pension Liability (Asset)	\$ (228)	\$ 5,094	\$ (19,224)	\$ 14,969	\$ (14,635)	\$ (48,703)	\$ (196,350)	\$ 40,022	\$ -	\$ -
District's covered payroll	\$ 62,800	\$ 72,138	\$ 78,160	\$ 79,316	\$ 276,000	\$ 349,000	\$ 312,500	\$ 455,944	\$ 449,554	\$ 487,931
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-0.4%	7.1%	-24.6%	18.9%	-5.3%	-14.0%	-62.8%	8.8%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%	97.6%	100.0%	100.0%

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATEWIDE RETIREMENT PLAN

Years Ended December 31,

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Statutorily required contributions	\$ 5,771	\$ 6,253	\$ 6,345	\$ 22,080	\$ 18,040	\$ 26,570	\$ 36,269	\$ 59,258	\$ 58,442	\$ 68,681
Contributions in relation to the statutorily required contributions	<u>5,771</u>	<u>6,253</u>	<u>6,345</u>	<u>22,080</u>	<u>18,040</u>	<u>26,570</u>	<u>36,269</u>	<u>59,258</u>	<u>58,442</u>	<u>68,681</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 72,138	\$ 78,159	\$ 79,316	\$ 276,000	\$ 225,500	\$ 312,500	\$ 426,694	\$ 455,944	\$ 449,554	\$ 487,931
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.50%	8.50%	13.00%	13.00%	14.08%

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

LYONS FIRE PROTECTION DISTRICT

ACQUISITION FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2025

	2025				
	ORIGINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Property Taxes	\$ 233,072	\$ 233,072	\$ 228,457	\$ (4,615)	\$ 256,377
Specific Ownership Taxes	-	-	4,602	4,602	9,145
Interest	-	-	-	-	88
Other	-	-	13	13	2,178
TOTAL REVENUES	<u>233,072</u>	<u>233,072</u>	<u>233,072</u>	<u>-</u>	<u>267,788</u>
EXPENDITURES					
Current					
Fire Fighting	233,072	233,072	233,072	-	240,355
Other	-	-	-	-	3,807
TOTAL EXPENDITURES	<u>233,072</u>	<u>233,072</u>	<u>233,072</u>	<u>-</u>	<u>244,162</u>
OTHER USES OF FUNDS					
Transfers In	-	-	1,882	(1,882)	(33,000)
NET CHANGE IN FUND BALANCE	-	-	1,882	(1,882)	(9,374)
FUND BALANCE, Beginning	<u>31,118</u>	<u>-</u>	<u>(1,882)</u>	<u>(1,882)</u>	<u>7,492</u>
FUND BALANCE, Ending	<u>\$ 31,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,764)</u>	<u>\$ (1,882)</u>

See the accompanying independent auditors' report.