MONTE VISTA FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

December 31, 2025



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

MONTE VISTA FIRE PROTECTION DISTRICT
TABLE OF CONTENTS
December 31, 2025

	Page
Independent Auditors' Report	1
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Governmental Fund Financial Statements:	
Governmental Fund Balance Sheet	6
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	9
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position - Firemen's Pension Fund	10
Statement of Changes in Fiduciary Net Position - Firemen's Pension Fund	11
Notes to the Basic Financial Statements	12
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	21
Capital Acquisition Fund	22
Other Supplementary Information	
Schedule of Changes in Fiduciary Net Position - Budget and Actual	
Firemen's Pension Fund	23

INDEPENDENT AUDITORS' REPORT

Wall, Smith, Bateman Inc.

To the Board of Directors
Monte Vista Fire Protection District
Monte Vista, Colorado

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monte Vista 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.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the District as of December 31, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the General Fund, Capital Acquisition Fund, and the Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Capital Acquisition Fund, and the aggregate remaining fund information of the 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 Qualified and Unmodified Opinions

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

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

The District has not adopted the provisions of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68,* in relation to the firemen's defined benefit pension plan. Accounting principles generally accepted in the United States of America require that the total pension liability, deferred outflows and inflows of resources, net assets and the changes in those amounts be recognized in the governmental activities and related

information disclosed in the notes to the financial statements. The amount by which this departure would affect the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted management's discussion and analysis and defined benefit pension plan schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the General Fund budgetary comparison information, as listed in the table of contents, 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.

Supplementary 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 other budgetary comparison information is presented for the purpose of additional analysis and is 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 information has 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 other budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 08, 2026

MONTE VISTA FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

MONTE VISTA FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
December 31, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets	
Cash and Investments	$ 1,383,953
Accounts Receivable	2,468
Property Taxes Receivable	551,580
Due from Other Governments	1,977
Prepaid Expense	-
Total Current Assets	1,939,978
Noncurrent Assets	
Capital assets	
Land	12,500
Buildings	385,248
Machinery and equipment	286,773
Vehicles	2,128,378
Less: accumulated depreciation	(1,556,134)
Total Noncurrent Assets	1,256,765
TOTAL ASSETS	3,196,743
LIABILITIES	
Current Liabilities	
Accounts Payable	6,786
Payroll Liabilities	12,109
Financed Purchase Agreement	-
Total Current Liabilities	18,895
TOTAL LIABILITIES	18,895
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	551,580
TOTAL DEFERRED INFLOWS OF RESOURCES	551,580
NET POSITION	
Net Investment in Capital Assets	1,256,765
Restricted for Tabor Reserve	25,300
Unrestricted	1,344,203
TOTAL NET POSITION	$ 2,626,268

The accompanying notes are an integral part of this financial statement.

MONTE VISTA FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Primary Government
Primary Government:					
Governmental Activities:					
Administration	$ 113,780	$ -	$ -	$ -	$ (113,780)
Fire Fighting	341,202	-	35,948	-	(305,254)
Total Governmental Activities	$ 454,982	$ -	$ 35,948	$ -	(419,034)
	General Revenues:				
	Taxes				336,059
	Interest				45,576
	Miscellaneous Income				24,571
	Total General Revenues				406,206
	Change in Net Position				(12,828)
	Net Position at Beginning of Year				2,639,096
	Net Position, End of Year				$ 2,626,268

The accompanying notes are an integral part of this financial statement.

MONTE VISTA FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND
BALANCE SHEET
December 31, 2025

	GENERAL FUND	CAPITAL ACQUISITION FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Investments	$ 1,077,019	$ 306,934	$ 1,383,953
Accounts Receivable	2,468	-	2,468
Property Taxes Receivable	375,244	176,336	551,580
Due from Other Funds	-	-	-
Due from Other Governments	1,977	-	1,977
Prepaid Expenses	-	-	-
TOTAL ASSETS	$ 1,456,708	$ 483,270	$ 1,939,978
LIABILITIES			
Accounts Payable	$ 6,786	$ -	$ 6,786
Payroll Liabilities	12,109	-	12,109
Due to Other Funds	-	-	-
TOTAL LIABILITIES	18,895	-	18,895
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	375,244	176,336	551,580
FUND BALANCES			
Nonspendable	-	-	-
Restricted			
Tabor Reserve	25,300	-	25,300
Assigned	-	306,934	306,934
Unassigned	1,037,269	-	1,037,269
TOTAL FUND BALANCES	1,062,569	306,934	1,369,503
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,456,708	$ 483,270	$ 1,939,978

The accompanying notes are an integral part of this financial statement.

MONTE VISTA FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2025

Total Governmental Fund Balance	$	1,369,503
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,256,765
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Financed Purchase Agreement		-
Net position of governmental activities	$	2,626,268

The accompanying notes are an integral part of this financial statement.

MONTE VISTA FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 2025

	GENERAL FUND	CAPITAL ACQUISITION FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property Taxes, Net	$ 120,838	$ 169,328	$ 290,166
Specific Ownership Taxes	22,698	21,917	44,615
Delinquent Taxes and Interest	1,278	-	1,278
Contributions	35,948	-	35,948
Grants	-	-	-
Dispatch	2,738	-	2,738
Interest	37,603	7,973	45,576
Other	11,450	10,383	21,833
TOTAL REVENUES	232,553	209,601	442,154
EXPENDITURES			
Public Safety			
Administration	109,940	3,840	113,780
Fire Fighting	206,514	57,143	263,657
Capital Outlay	-	-	-
Debt Service	-	87,080	87,080
TOTAL EXPENDITURES	316,454	148,063	464,517
Excess (Deficiency) of Revenues Over Expenditures	(83,901)	61,538	(22,363)
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Change in Fund Balance	(83,901)	61,538	(22,363)
Fund Balance, Beginning of year	1,146,470	245,396	1,391,866
Fund Balance, End of year	$ 1,062,569	$ 306,934	$ 1,369,503

The accompanying notes are an integral part of this financial statement.

MONTE VISTA FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds		$ (22,363)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlay and depreciation expense in the current period.		
Capital Asset Additions	$ 10,400	
Depreciation Expense	(100,490)	
		(90,090)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Financed Purchase Payment		99,625
Change in net position of governmental activities		$ (12,828)

The accompanying notes are an integral part of this financial statement.

MONTE VISTA FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIREMEN'S PENSION FUND
December 31, 2025

	FIREMEN'S PENSION FUND
ASSETS	
Cash and Cash Equivalents	$ 186,453
Investments	4,703,034
Property Taxes Receivable	55,000
Due from Other Governments	-
TOTAL ASSETS	4,944,487
LIABILITIES	
Payroll Liabilities	34,331
TOTAL LIABILITIES	34,331
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	55,000
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 4,855,156

The accompanying notes are an integral part of this financial statement.

MONTE VISTA FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIREMEN'S PENSION FUND
For the Year Ended December 31, 2025

	FIREMEN'S PENSION FUND
ADDITIONS	
Contributions	
Property Taxes, Net	$ 43,733
Specific Ownership Taxes	6,820
Delinquent Taxes and Interest	196
State Contribution	25,705
Miscellaneous Income	4,650
Total Contributions	81,104
Investment Income (Loss)	
Investment Income	102,090
Unrealized Gain/(Loss)	390,245
Realized Gain/(Loss)	25,605
Net Investment Income (Loss)	517,940
TOTAL ADDITIONS	599,044
DEDUCTIONS	
Pension Payments	95,249
TOTAL DEDUCTIONS	95,249
NET INCREASE (DECREASE) in Net Position	503,795
Net Position, Beginning of Year	4,351,361
Net Position, End of Year	$ 4,855,156

The accompanying notes are an integral part of this financial statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Monte Vista Fire Protection District (the District) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards.*

REPORTING ENTITY

Primary Government

The Monte Vista Fire Protection District was organized in accordance with Colorado Statutes 32-1-101. The entity's purpose is to provide volunteer fire protection services in Rio Grande County.

Component Units

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District

Based on the aforementioned criteria, the District has no component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the District, except for fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected in the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- 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 in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide 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. This measurement is also used for fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a 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 are recognized as revenue when all applicable eligibility requirements imposed by the provider are 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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 only when payment is due.

The District reports the following major governmental funds:

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

- The ***Capital Acquisition Fund*** is a special revenue fund used to account for the accumulation of a 1.5 mill levy set aside for District capital expenditures.

Fiduciary fund financial statements consist of the Firemen's Pension Fund established to account for the accumulation of resources to be used for retirement payments for the District's firefighters.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with a maturity of three months or less.

Investments

All investments are measured at fair market value on a recurring basis.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized by the District to the extent it results in a current receivable. The 2025 property tax levy due January 1, 2026, has been recorded in the financial statements as a receivable and corresponding deferred inflow of resources.

Capital Assets

Capital assets, which include land, buildings, machinery and equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial individual cost of more than $5,000 and have a life of more than one year. Capital 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50-75
Machinery and Equipment	5-10
Vehicles	8-30

Unearned Grant Revenue

Revenue on grants, which are restricted by the grant document for specific purposes, is recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

The District does not have any liability for compensated absences at year end because payments to volunteers are made as service is performed.

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as another financing source and debt payments are reported as debt service expenditures.

Fireman's Pension Fund

The District Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. District contributions are recognized when the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form, such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through an adopted resolution by the Board of Directors, the highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Directors or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

Encumbrances

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are budgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Monte Vista Fire Protection District follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.

2) Publication of a notice stating that the budget is available for public inspection.

3) Discussion of the budget in a meeting open to the public.

4) Adoption of the budget in a public meeting by appropriate resolution no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). All budget amounts presented reflect the original budget and the final budget, if applicable.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The District did not adopt supplemental appropriations during fiscal year 2025.

Expenditures in the Capital Acquisition Fund and Pension Fund exceeded appropriations for the year ended December 31, 2025 by $24,841 and $22,249, respectively. This may be a violation of Colorado Revised State Statutes 29-1-110.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

The carrying amount of cash, deposits, and investments is reflected in the accompanying financial statements as follows:

Cash in Banks	$ 635,118	Governmental Activities	$ 1,383,953
Csafe	1,159,514	Fiduciary Fund - Pension	4,889,487
Other Investments	4,478,808		$ 6,273,440
	$ 6,273,440		

Cash and Deposits

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds 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. All deposits in 2025 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At December 31, 2025, $32,364 of the District's bank balance of $668,765 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

The District's investments are subject to interest rate risk, credit risk, and concentration of credit risk. The types of investments which are authorized to be made with District funds are controlled by state statute and the investment policies of the District. Colorado statutes and the District's investment policies specify investment instruments meeting defined rating and risk criteria in which the District may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities

- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial risk. The District's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions, or maturities. The policy allows for the investment in local government investment pools.

Credit Risk

The District's investment policy calls for investing in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Fair Value Measurement

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

As of December 31, 2025, the District has the following recurring fair value measurements:

Investment Type		Fair Value	Level 1	Level 2	Level 3
Annuities	10%	$ 446,357	$ 446,357	$ -	$ -
Mutual Funds	63%	2,803,388	2,803,388	-	-
Guaranteed Investment Contracts	27%	1,229,063	-	-	1,229,063
Total Investments	100%	$ 4,478,808	$ 3,249,745	$ -	$ 1,229,063

As of December 31, 2025, the concept of maturity does not apply to all investments held by the District.

As of December 31, 2025, the District's investments were rated as follows:

	Securities by Investment Type			
Quality Rating	Annuities	Mutual Funds	Guaranteed Investment Contracts	Total
Morning Star				
*	$ -	$ -	$ -	$ -
**	-	333,480	-	333,480
***	-	511,831	-	511,831
****	-	928,620	-	928,620
*****	-	1,029,457	-	1,029,457
Unrated	446,357	-	1,229,063	1,675,420
Fair Value	$ 446,357	$ 2,803,388	$ 1,229,063	$ 4,478,808

Interest Rate Risk and Market Risk

The fair value of investments fluctuates in response to changes in market interest rates, generally decreasing in response to increases in market interest rates. Through its investment policy, the District manages exposure to fair value losses arising from increasing interest rates by monitoring the duration and maturity of its portfolio and requiring its fixed income managers to diversify by issuer and by sector or industry.

Duration measures a fixed income security's exposure to price changes arising from changing interest rates. The District invests in various securities with embedded options that affect the sensitivity to changes in interest rates and market rates.

CSAFE is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund, and each share is equal in value to $1.00. The investments do not have any unfunded commitments, redemption restrictions, redemption notice periods, or withdrawal restrictions. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool 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 pool. Investments of the pool consist of securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, and A1 rated Colorado Depositories collateralized at 102% of market value with Treasury & Agency Securities. Asset allocation is in full conformance with Standard & Poor's (S&P) guidelines. CSAFE measures all of its investments at amortized cost.

Investments in local government investment pools or money market funds are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form.

NOTE 4 PROPERTY TAX RECEIVABLE

At December 31, 2025, the District had an estimated property tax receivable as follows:

General Fund	$ 375,244
Capital Acquisition Fund	176,336
Pension Fund	55,000
	$ 606,580

NOTE 5 CAPITAL ASSETS

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

Governmental Activities:	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Capital assets not being depreciated				
Land	$ 12,500	$ -	$ -	$ 12,500
Total capital assets not being depreciated	12,500	-	-	12,500
Capital assets being depreciated				
Buildings	385,248	-	-	385,248
Machinery and Equipment	276,373	10,400	-	286,773
Vehicles	2,128,378	-	-	2,128,378
Total capital assets being depreciated	2,789,999	10,400	-	2,800,399
Less accumulated depreciation for:				
Buildings	156,743	6,184	-	162,927
Machinery and Equipment	220,073	19,170	-	239,243
Vehicles	1,078,828	75,136	-	1,153,964
Total accumulated depreciation	1,455,644	100,490	-	1,556,134
Total capital assets being depreciated, net	1,334,355	(90,090)	-	1,244,265
Governmental Activities Capital Assets, Net	$ 1,346,855	$ (90,090)	$ -	$ 1,256,765

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

Governmental Activities:	
Fire Fighting	$ 100,490

NOTE 6 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Governmental Activities:	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Financed Purchase Agreement	$ 99,625	$ -	$ 99,625	$ -	$ -

Financed Purchase Agreement

During 2022, the District entered into a financed purchase agreement with PNC Equipment Finance, as lessor, and the Monte Vista Fire Protection District, as the lessee. PNC Equipment Finance issued $423,553 with an interest rate of 3.83% for the purchase of a Pierce Dryside Tanker Truck. Payments are due to the lessor in annual installments through July 22, 2025.

NOTE 7 FIRE PENSION

Plan Description

Plan Administration
Title 31, Article 30 of the Colorado Revised Statutes provides for the creation and administration of a Firemen's Pension Fund, which is a single-employer defined benefit plan. A volunteer fireman who has attained the age of 50 and has earned 20 years of active service may be granted a pension not to exceed $400 per month. In the event of injury or death, an annuity not to exceed $200 per month may be granted to the fireman or his survivors. If at any time there is not sufficient money in the Fund to pay the full amount that each beneficiary is entitled to, an equal percentage of such monthly payment shall be made to each beneficiary until the Fund is replenished to permit full payment.

Funding Policy
The District funds this pension plan with proceeds from a local mill levy, contributions from the State of Colorado Firemen's Pension Fund, and interest earnings from assets in the fund. The volunteer firemen do not contribute to this plan.

Annual Pension Cost and Net Pension Obligation
During 2025, gross revenues of the fund were $334,055 from the above sources. For the 2025 year, monthly pension payments were approximately $400 for nine retirees, $380 for one retiree, $200 for five retirees, $360 for one retiree, $75 for one retiree, $65 for one retiree, $50 for four retirees, and $32.50 for one retiree.

The District's annual pension cost and net obligation to the plan for the current year was $95,249.

NOTE 8 TABOR EMERGENCY RESERVE

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 governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of this amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. The voters of Monte Vista Fire Protection District passed a ballot issued in 2002 authorizing the District to collect, retain, and expend the full proceeds of the county taxes, grants, fees and other funds collected, notwithstanding Article X, Section 20 of the Colorado Constitution from the date of January 1, 2001, provided that no local tax rate or mill levy shall be increased without further voter approval.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve has been presented as a restricted fund balance in the General Fund and a restricted net position in the government-wide Statement of Net Position. The District is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 9 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. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

MONTE VISTA FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

MONTE VISTA FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property Taxes, Net	$ 116,766	$ 116,766	$ 120,838	$ 4,072
Specific Ownership Taxes	40,000	40,000	22,698	(17,302)
Delinquent Taxes and Interest	205,132	205,132	1,278	(203,854)
Contributions	27,000	27,000	35,948	8,948
Grants	-	-	-	-
Dispatch	5,000	5,000	2,738	(2,262)
Interest	100	100	37,603	37,503
Other	71,000	71,000	11,450	(59,550)
TOTAL REVENUES	464,998	464,998	232,553	(232,445)
EXPENDITURES				
Public Safety				
Administration	86,300	86,300	109,940	(23,640)
Fire Fighting	234,050	234,050	206,514	27,536
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	320,350	320,350	316,454	3,896
Change in Fund Balance	144,648	144,648	(83,901)	(228,549)
Fund Balance, Beginning of year	-	-	1,146,470	1,146,470
Fund Balance, End of year	$ 144,648	$ 144,648	$ 1,062,569	$ 917,921

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

MONTE VISTA FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL ACQUISITION FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property Taxes, Net	$ 151,730	$ 151,730	$ 169,328	$ 17,598
Specific Ownership Taxes	30,000	30,000	21,917	(8,083)
Interest	3,000	3,000	7,973	4,973
Other	-	-	10,383	10,383
TOTAL REVENUES	184,730	184,730	209,601	24,871
EXPENDITURES				
Public Safety				
Administration	-	-	3,840	3,840
Fire Fighting	85,000	85,000	57,143	27,857
Capital Outlay	25,000	25,000	-	25,000
Debt Service	5,542	5,542	87,080	(81,538)
TOTAL EXPENDITURES	115,542	115,542	148,063	(24,841)
Change in Fund Balance	69,188	69,188	61,538	(7,650)
Fund Balance, Beginning of year	-	-	245,396	245,396
Fund Balance, End of year	$ 69,188	$ 69,188	$ 306,934	$ 237,746

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

MONTE VISTA FIRE PROTECTION DISTRICT

SUPPLEMENTARY INFORMATION

MONTE VISTA FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
FIREMEN'S PENSION FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
ADDITIONS				
Contributions				
Property Taxes, Net	$ 46,900	$ 46,900	$ 43,733	$ (3,167)
Specific Ownership Taxes	5,000	5,000	6,820	1,820
Delinquent Taxes and Interest	500	500	196	(304)
State Contribution	25,705	25,705	25,705	-
Miscellaneous Income	0.00	0.00	4,650	4,650
Total Contributions	78,105	78,105	81,104	2,999
Investment Income (Loss)				
Investment Income	30,250	30,250	102,090	71,840
Unrealized Gain/(Loss)	-	-	390,245	390,245
Realized Gain/(Loss)	-	-	25,605	25,605
Total Investment Income (Loss)	30,250	30,250	517,940	487,690
TOTAL ADDITIONS	108,355	108,355	599,044	490,689
DEDUCTIONS				
Pension Payments	65,000	65,000	95,249	(30,249)
Life Insurance	8,000	8,000	-	8,000
Other	-	-	-	-
TOTAL DEDUCTIONS	73,000	73,000	95,249	(22,249)
Net Increase (Decrease)	35,355	35,355	503,795	468,440
NET POSITION, Beginning of year	-	-	4,351,361	4,351,361
NET POSITION, End of year	$ 35,355	$ 35,355	$ 4,855,156	$ 4,819,801