MONTROSE FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025

DWC
CPAS | ADVISORS

Montrose Fire Protection District

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Independent Auditor's Report

DWC
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Board of Directors
Montrose Fire Protection District
Montrose, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the budgetary comparison information on page 53 be presented to supplement the basic financial statements. Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, requires that the Old Hire Plan Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios – Last 10 Years (to be built prospectively), Old Hire Plan Schedule of Contributions – Last 10 Years (to be built prospectively), Schedule of the District's Proportionate Share of the Net Pension Liability / (Asset) of the Statewide Defined Benefit Pension Plan, Schedule of District Contributions to the Statewide Defined Benefit Pension Plan, Volunteer Plan Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios – Last 10 Years (to be built prospectively), Volunteer Plan Schedule of Contributions – Last 10 Years (to be built prospectively), Schedule of the District's Proportionate Share of the PERA Net Pension Liability, and Schedule of District Contributions to the PERA Defined Benefit Pension Plan on pages 54 to 61 be presented to supplement the basic financial statements. GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits*

Other Than Pensions requires that the Schedule of the District's Proportionate Share of the PERA Net Other Post-Employment Benefit Liability and Schedule of District Contributions to the PERA Other Post-Employment Benefit Plan on pages 62 to 63 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 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 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 supplemental Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balance – General Fund on page 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balance – General Fund 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. Such 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 Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balance – General Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Grand Junction, Colorado
June 15, 2026

Management's Discussion and Analysis

MONTROSE FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2025

As management of the Montrose Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025 with comparative information presented for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

Financial Highlights

- In the government-wide financial statements, the District's assets and deferred outflows exceeded its liabilities and deferred inflows by $13,348,226 at December 31, 2025, an increase of $1,730,542 from the net position at December 31, 2024. This is discussed starting on page 6.
- The General Fund reported an ending fund balance of $6,909,126 at December 31, 2025, which is an increase of $1,329,991 from the prior year. This is discussed on page 7.
- Tax revenue as shown on the statement of activities increased $380,317 in 2025 from 2024 and program revenue as shown on the statement of activities increased $305,431 in 2025 from 2024, while program expenses as shown on the statement of activities increased by $996,787. This is discussed on page 7.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required and other supplemental 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the District'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 cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the District's activities are shown in one category: *governmental activities*. The District's activities are principally supported by property taxes and charges for services. The government-wide financial statements can be found on pages 10 through 12.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's General fund is considered a governmental fund.

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 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 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 General Fund balance sheet and the General Fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has only one governmental fund: the General Fund. The District's General Fund financial statements can be found on pages 13 through 16.

An annual appropriated budget is adopted for the General Fund. A budgetary comparison schedule has been provided on page 64.

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17 through 52.

Required Supplementary Information (RSI)

The RSI presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis and budget to actual comparison, as well as certain RSI required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions* (GASB 75) as follows:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
- Old Hire Plan Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios – Last 10 Years (to be built prospectively)
- Old Hire Plan Schedule of Contributions – Last 10 Years (to be built prospectively)
- Schedule of the District's Proportionate Share of the Net Pension Liability/ (Asset) of the Statewide Defined Benefit Pension Plan
- Schedule of District Contributions to the Statewide Defined Benefit Pension Plan

- Volunteer Plan Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios – Last 10 Years (to be built prospectively)
- Volunteer Plan Schedule of Contributions – Last 10 Years (to be built prospectively)
- Schedule of the District's Proportionate Share of the PERA Net Pension Liability
- Schedule of District Contributions to the PERA Defined Benefit Pension Plan
- Schedule of the District's Proportionate Share of the PERA Net Other Post-Employment Benefit Liability
- Schedule of District Contributions to the PERA Other Post-Employment Benefit Plan

Other Supplemental Information

A schedule of general fund revenues, expenditures, and changes in fund balance for the current year and prior two years has been presented on page 53.

Government-wide Financial Analysis

The following summarizes the District's governmental net position as of December 31:

	2025	2024	Increase (Decrease)
Assets			
Current and other assets	$ 15,654,924	$ 13,102,954	$ 2,551,970
Capital assets, net	5,456,322	5,363,773	92,549
Total Assets	21,111,246	18,466,727	2,644,519
Deferred Outflows of Resources			
Pension and OPEB plans	1,977,540	2,191,923	(214,383)
Total Deferred Outflows of Resources	1,977,540	2,191,923	(214,383)
Liabilities			
Current liabilities	76,059	72,211	3,848
Noncurrent liabilities	1,034,268	944,475	89,793
Net pension and OPEB liability	593,516	528,722	64,794
Total Liabilities	1,703,843	1,545,408	158,435
Deferred Inflows of Resources			
Pension and OPEB plans	78,276	133,212	(54,936)
Unearned property tax revenue	7,958,441	7,362,346	596,095
Total Deferred Inflows of Resources	8,036,717	7,495,558	541,159
Net Position			
Net investment in capital assets	6,167,620	5,453,035	714,585
Restricted	436,748	313,000	123,748
Unrestricted	6,743,858	5,851,649	892,209
Total Net Position	$ 13,348,226	$ 11,617,684	$ 1,730,542

Current assets increased by $2,551,970, which was primarily due to an increase in property taxes receivable of approximately $596,000 from an increase in 2025 property taxes levied by the District that will be received in 2026, and an increase of approximately $1 million in cash and investments. Deferred inflows from unearned property tax revenue also increased by approximately $596,000 due to the increase in 2025 property taxes levied by the District that will be received in 2026. Capital assets increased from the prior year by approximately $93,000 due to the receipt of a new fire apparatus, the disposal of two vehicles, and a deposit made on a type 1 engine that will not be delivered until a future date. The decrease in deferred outflows for pension and other post-employment benefit (OPEB) plans of

approximately $214,000 and the decrease in deferred inflows for pension and OPEB plans of $55,000 were primarily driven by changes in assumptions implemented by the Statewide Defined Benefit Plan (SWDB) administered by the Fire & Police Pension Association (FPPA) of Colorado. See Note 8 to the District's financial statements for further information regarding pension plans covering the District's employees and the District's accounting for their pension related balances. The increase in total liabilities of $158,000 was primarily due to an increase in compensated absences of approximately $90,000. The District's increase in overall net position of $1,730,542 is discussed below.

The following summarizes the change in the District's government-wide net position for the years ended December 31:

	2025	2024	Increase (Decrease)
Revenues			
Program revenues	$ 2,234,725	$ 1,929,294	$ 305,431
General revenues:			
Taxes	8,474,413	8,094,096	380,317
Miscellaneous	165,264	119,875	45,389
Earnings on deposits and investments	291,573	267,247	24,326
Total Revenues	11,165,975	10,410,512	755,463
Expenses			
Fire protection and emergency medical services	7,955,826	7,124,715	831,111
Administration	1,479,607	1,302,257	177,350
Interest on long-term debt	-	11,674	(11,674)
Total Expenses	9,435,433	8,438,646	996,787
Change in Net Position	1,730,542	1,971,866	(241,324)
Net Position – beginning of year	11,617,684	9,645,818	1,971,866
Net Position – end of year	$ 13,348,226	$ 11,617,684	$ 1,730,542

Total revenues of the District increased 7% or $755,000 from prior year, driven primarily by reimbursements received for wildland fire assistance, as well as growth in property tax and specific ownership tax revenues resulting from increases in the assessed valuation of taxable property within the District, and earnings on the District's investments held by COLOTRUST. Total expenses increased by 12% or $997,000 from the prior year driven primarily by higher payroll-related costs resulting from employee pay increases, as well as an increase in pension expense. The excess of total revenues, over total expenses (both of which are discussed above) led to the District's overall increase in net position of $1,730,542.

Financial Analysis of Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District maintains only one governmental fund, the General Fund, which is the District's operating fund. The General Fund had a fund balance of $6,909,126 as of December 31, 2025, of which $325,000 is restricted for emergencies. The unassigned portion of the fund balance in the amount of $4,319,433 is available for spending. Total fund balance increased $1,329,991 from the prior year, primarily due to the same factors causing the increase in the District's net position as discussed above, including increased charges for services along with increases in property and specific ownership taxes.

General Fund Budgetary Highlights

Revenues for charges for services were more than budgeted due to a significant increase in billable EMS trips as compared to the prior year. Specific ownership taxes for Montrose were $144,220 more than budgeted. Earnings on deposits and investments were $66,573 more than budgeted due to increases in interest yields earned from the District's funds invested in COLOTRUST. Capital outlay for equipment and vehicles was less than budgeted due to having committed to a nine million dollar capital project that will require a lease-purchase agreement to begin building a new station. However, acquisition for this project has yet to be secured and the capital project will be budgeted for in the 2026 budget with the hopes of going under contract to build a new station. The District was able to hire full-time staff to the roster in 2025.

Capital Asset and Debt Administration

Capital Assets

The District defines capital assets as assets with an initial cost of more than $5,000. Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. During the year ended December 31, 2025, the District acquired land located at 6720 Road, Montrose, Colorado, with plans to construct a new fire station (Station #4) and a new administrative building to support future operations and growth. Additional information on the District's capital assets can be found in Note 6.

Debt Administration

As noted in Note 10, on May 20, 2026, the District entered into a lease-purchase agreement (the LPA) with BOKF, NA funded via the issuance of certificates of participation (the COPs) with a par value of $13,995,000 and an associated premium of $313,299, for a total issuance price of $14,308,299. The District incurred issuance costs of $288,299 associated with the issuance of the COPs, leaving the District with net proceeds from the COPs of $14,020,000. The net proceeds of the COPs will be used by the District to finance the construction of a new fire station (Station #4), a new administrative office building, renovations to the existing fire station (Station #1), and other capital improvement projects within the District. The financing is secured by certain District-owned real property and improvements that were leased to the trustee pursuant to a site lease and leased back to the District under the LPA. The LPA associated with the COPs requires the District to make semiannual lease payments on May 1 and November 1, beginning November 1, 2026. These payments include interest due with each payment as well as principal due with every payment made on May 1st of a given year through maturity on May 1, 2026. Under the LPA, ownership of the constructed assets, including a new fire station (Station #4), a new administrative office building, renovations to the existing fire station (Station #1), and other capital improvement projects within the District will transfer to the District at the end of the payment term (i.e. maturity date of May 1, 2056) with no additional payments due from the District. Since the LPA results in a transfer of ownership as part of the LPA, it is accounted for as a financed purchase of assets rather than a lease in accordance with GASB Statement No. 87, *Leases*, which will result in the District recognizing a debt obligation of $14,308,299 related to future principal payments due under the LPA

and the premium received on the issuance of the COPs, which will be amortized over the term of the related payments due. The District will also recognize the constructed assets as they are completed and costs of construction are incurred. The interest rate implicit in the LPA is approximately 4.95%. Principal and interest payments due under the LPA are as follows for the year ending December 31:

Year	Principal	Interest	Total
2026	$ -	$ 336,583	$ 336,583
2027	220,000	686,900	906,900
2028	220,000	675,900	895,900
2029	235,000	664,525	899,525
2030	245,000	652,525	897,525
2031-2035	1,415,000	3,061,875	4,476,875
2036-2040	1,815,000	2,660,125	4,475,125
2041-2045	2,315,000	2,146,375	4,461,375
2046-2050	2,940,000	1,509,688	4,449,688
2051-2055	3,730,000	699,250	4,429,250
2056	860,000	21,500	881,500
Total minimum future obligations	$ 13,995,000	$ 13,115,246	$ 27,110,246

Economic Factors and Next Year's Budget

The District's capital project plans for 2026 are to continue the fleet replacement project and purchase more apparatus, to move forward on building a new Station 4, and to purchase extrication equipment for the Type 1 engine received in 2025.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Chief, 441 South Uncompahgre Avenue, Montrose, CO 81401.

Basic Financial Statements

Government-wide Financial Statements

MONTROSE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

December 31, 2025

ASSETS		
Cash and investments		$ 6,176,446
Receivables:		
Property taxes		7,958,441
Specific ownership taxes		71,234
Emergency medical services (EMS) accounts receivable		310,996
Due from other governments		314,761
Prepaid insurance		111,748
Deposit on purchase of capital assets		711,298
Capital assets, net of accumulated depreciation, where applicable:		
Land		1,353,899
Buildings and improvements		1,929,309
Fire apparatus and ambulances		2,173,114
	Capital Assets, Net	5,456,322
	Total Assets	$ 21,111,246
DEFERRED OUTFLOWS OF RESOURCES		
Pension related (see Note 8)		$ 1,976,687
Other post-employment benefit related (see Note 8)		853
	Total Deferred Outflows of Resources	$ 1,977,540

See accompanying notes.

(continued)

MONTROSE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

December 31, 2025

LIABILITIES		
Accounts payable		$ 76,059
Compensated absences		1,034,268
Net pension liability		587,762
Net other post-employment benefit liability		5,754
	Total Liabilities	$ 1,703,843
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue - property taxes		$ 7,958,441
Pension related (see Note 8)		75,168
Other post-employment benefit related (see Note 8)		3,108
	Total Deferred Inflows of Resources	$ 8,036,717
NET POSITION		
Net investment in capital assets		$ 6,167,620
Restricted for:		
Emergencies		325,000
Nonspendable purposes		111,748
Unrestricted		6,743,858
	Total Net Position	$ 13,348,226

See accompanying notes.

(concluded)

MONTROSE FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

PROGRAM EXPENSES		
Fire fighting/EMS		$ 6,903,994
Administration		1,479,607
Equipment and supplies		370,634
Facility maintenance and operations		261,496
Wildland fire		181,147
Communications		177,637
Training		40,686
Fire prevention		20,232
	Total Program Expenses	9,435,433
PROGRAM REVENUES		
Charges for services, net of adjustments		2,195,766
Grant revenue		27,084
Permits and fees		11,875
	Net Program Expenses	7,200,708
GENERAL REVENUES		
Property taxes		7,487,135
Specific ownership taxes		972,220
Earnings on deposits and investments		291,573
Miscellaneous		165,264
Interest on delinquent taxes		15,058
	Total General Revenues	8,931,250
	Change in Net Position	1,730,542
Net Position - January 1, 2025		11,617,684
Net Position - December 31, 2025		$ 13,348,226

See accompanying notes.

Fund Financial Statements

MONTROSE FIRE PROTECTION DISTRICT

BALANCE SHEET – GENERAL FUND

December 31, 2025

ASSETS		
Cash and investments		$ 6,176,446
Receivables:		
Property taxes		7,958,441
Specific ownership taxes		71,234
Due from other governments		314,761
EMS accounts receivable		310,996
Prepaid insurance		111,748
	Total Assets	$ 14,943,626
LIABILITIES		
Accounts payable		$ 76,059
	Total Liabilities	76,059
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue - property taxes		7,958,441
	Total Deferred Inflows of Resources	7,958,441
FUND BALANCE		
Nonspendable		111,748
Restricted for:		
Emergencies		325,000
Assigned for operating reserve		2,152,945
Unassigned		4,319,433
	Total Fund Balance	6,909,126
	Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 14,943,626

See accompanying notes.

MONTROSE FIRE PROTECTION DISTRICT

RECONCILIATION OF THE GENERAL FUND BALANCE SHEET TO
THE STATEMENT OF NET POSITION

December 31, 2025

Total Fund Balance - Governmental Funds	$	6,909,126
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Accrued compensated absences payable are not due and payable in the current period and, therefore, are not reported as liabilities in the general fund.		(1,034,268)
Net pension asset, net pension liability, deferred outflows, and deferred inflows of resources related to pensions and other post-employment benefits (OPEB) are not current financial resources and, therefore, are not reported as assets or liabilities in the general fund.		1,305,748
Deposits toward the purchase price of capital assets used in governmental activities are not financial resources and, therefore, are not reported in the general funds:		711,298
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the general fund:		
Cost of capital assets		11,445,408
Less accumulated depreciation		(5,989,086)
Total Net Position - Governmental Activities	$	13,348,226

See accompanying notes.

MONTROSE FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

For the year ended December 31, 2025

REVENUES		
Property taxes		$ 7,487,135
Specific ownership taxes		972,220
Interest on delinquent taxes		15,058
Charges for services, net of adjustments		2,195,766
Miscellaneous		165,264
Earnings on deposits and investments		291,573
Grants		27,084
Permits and fees		11,875
	Total Revenues	11,165,975
EXPENDITURES		
Current		
Fire fighting/EMS		6,280,570
Administration		1,479,607
Equipment and supplies		370,634
Wildland fire		181,147
Communications		177,637
Facility maintenance and operations		155,325
Training		40,686
Fire prevention		20,232
Capital outlay		1,130,146
	Total Expenditures	9,835,984
	Net Change in Fund Balance	1,329,991
Fund Balance - January 1		5,579,135
Fund Balance - December 31		$ 6,909,126

See accompanying notes.

MONTROSE FIRE PROTECTION DISTRICT

RECONCILIATION OF THE GENERAL FUND STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

Net Change in Fund Balance - General Fund	$	1,329,991
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in the general fund; however, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful life as depreciation expense:		
Capital outlay		1,130,146
Depreciation expense		(415,561)
Pension and OPEB expense is not reported in the general fund but is reported as an expenditure in the Statement of Activities.		(224,241)
Compensated absences are recognized as an expenditure in the general fund when they are determined to be payable from current financial resources. In the Statement of Activities, compensated absences are recognized as an expense when incurred:		
December 31, 2024		944,475
December 31, 2025		(1,034,268)
Change in Net Position of Governmental Activities	$	1,730,542

See accompanying notes.

Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District's more significant accounting policies are described below:

Financial Reporting Entity

The District is a political subdivision of the State of Colorado, formed in 1946 for the purpose of providing fire protection and emergency medical services to portions of Montrose and Ouray counties. The District is governed by an elected five-member board of directors (the Board).

Government-wide 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. *Governmental activities* are supported by taxes and charges for services. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

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

Fund Financial Statements

The accounts of the District are organized on the basis of funds. The operations of funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

The District has only one governmental fund, the General Fund, which is the District's primary operating fund. It accounts for all financial resources of the District.

Separate financial statements are provided for the General Fund.

Measurement Focus and Basis of Accounting

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 expenditures 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if collected within 60 days after year end. Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue and charges for services. Grant revenues are recognized as they are earned. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with available financial resources.

Pensions

The District participates in four defined benefit pension plans. For purposes of measuring the net pension (assets) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension income/expense, information about the fiduciary net position of pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Use of Estimates

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

Property Taxes

Property taxes for the current year are levied in December of the previous year and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes for 2025 and payable to the District in 2026 are reported as a receivable and deferred inflow of resources at December 31. The deferred taxes are recognized as revenue in the year in which the lien attaches and they are available and collected.

Capital Assets

In the government-wide financial statements, capital assets are reported as assets in the statement of net position. In the fund financial statements, purchases of capital assets are expensed as capital outlay. Capital assets are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation. The District defines capital assets as assets with an initial cost of more than $5,000. Replacements, which improve or extend the lives of property, are capitalized. Interest incurred during construction is not capitalized on capital assets. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized.

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

Building and improvements	15 - 40 years
Fire apparatus and ambulances	10 - 20 years
Other vehicles and equipment	5 - 15 years

Compensated Absences

Shift personnel accumulate vacation time at the rate of three twenty-four hour shifts, after the first full year of employment. Thereafter, one additional shift can be accumulated with a maximum accumulation of ten shifts. Non-shift personnel accumulate two weeks of vacation after the first full year of employment up to a maximum of five weeks after eight years of service. Sick leave for shift personnel accumulates at the rate of four shifts during the first year of service and ten shifts each year thereafter to a maximum of sixty-one shifts. Non-shift personnel accumulate sick leave at the rate of ten days the first year and thirty days in each succeeding year to a maximum of one hundred and eighty days. Upon termination of employment, 58% of accumulated sick leave is paid at the regular hourly rate. The entire liability is reported in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), defines the five elements that make up a statement of financial position to include:

- Assets – resources with a present service capacity under District control
- Deferred Outflows of Resources – consumption of net position by the District that is applicable to a future reporting period
- Liabilities – present obligations to sacrifice resources
- Deferred Inflows of Resources – acquisitions of net position by the District that is applicable to a future reporting period
- Net Position – residual of all other elements presented in a statement of financial position

See Note 8 for detail of the composition of the District's deferred outflows and deferred inflows related to pensions and OPEB.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing attributable to the acquisition or construction of improvements of those assets. Net position is reported as restricted when

there are limitations on their use due to external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

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 had nonspendable resources for prepaid insurance as of December 31, 2025 in the amount of $111,748.
- 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 the Taxpayer's Bill of Rights (TABOR) emergency reserves as being restricted because their use is restricted by state statute.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board 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 did not have any committed resources as of December 31, 2025.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District manager through the budgetary process. The District had $2,152,945 in assigned resources as of December 31, 2025.
- Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use committed resources first and then assigned resources as appropriate opportunities arise, but the District reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between *fund balance* of the *governmental fund* and *net position* of *governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenue, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances* of the *governmental fund* and the *changes in net position of governmental activities* as reported in the government-wide statement of activities. These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as TABOR, which has several limitations including revenue raising, spending abilities, debt limitations, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. TABOR requires a reserve of 3% of the District's fiscal year spending, excluding bonded debt service. A portion of the District's General Fund balance is classified as restricted for an emergency reserve required by TABOR (see Note 1).

In 1996, the voters authorized the District to collect and spend all revenues received in 1995 and subsequent years, notwithstanding the limitations of TABOR, without increasing its mill levy above current levels without further voter approval. In 2006, the voters authorized the District to impose an additional 3.45 mill property tax levy, not to exceed 8.813 mills commencing January 1, 2007. The additional mills were for the construction of two new stations including the necessary equipment and additional salaries for personnel to provide fire, rescue and emergency medical services. On January 1, 2017, the mill levy was decreased in amount and reduced annual District revenues. In 2018, the District successfully passed a ballot initiative to address and fix the Residential Assessment Rate's specific effect on the tax revenue for the District by re-establishing the mill levy to its previous amount. On January 1, 2030, the mill levy will be further decreased.

NOTE 4 - BUDGETS

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- **A.** Budgets are required by state law.
- **B.** The budget officer is required to submit a proposed budget to the Board by October 15.
- **C.** Public hearings are conducted by the Board to obtain taxpayer comments.
- **D.** Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- **E.** Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. The District expended less than was appropriated during 2025.
- **F.** Budget appropriations lapse at the end of each year.
- **G.** Budgets are adopted on the modified accrual basis of accounting.

NOTE 5 - DEPOSITS AND INVESTMENTS

Colorado's Public Deposit Protection Act (PDPA) governs the District's deposits. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal deposit insurance through the Federal Deposit Insurance Corporation (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to 102% of the uninsured deposits. The Colorado Division of Banking for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At year end, the carrying amount of the District's deposits consisted of the following:

	Bank Balance	Carrying Amount
Cash in checking accounts	$ 170,559	$ 152,565
Cash on hand	234	234
	$ 170,793	$ 152,799

At December 31, 2025, $170,559 was covered by depositor's insurance and no collateralization was considered necessary under PDPA requirements.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank or investment pool failure, the District would not be able to recover its deposits. The District's deposits are not deemed to be subject to custodial credit risk as they are covered by the FDIC or are collateralized under PDPA.

Investments

Colorado state statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including:

- 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
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Certificates of deposit

The District has no investment policy that would further limit its investment choices.

As of December 31, 2025, the District had the following investments:

Description	Credit Quality Rating	Maturity	Fair Value
COLOTRUST PLUS+	AAAm	Weighted Average Days of 42 (to Reset)	$ 6,023,647

At December 31, 2025, the District had funds invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool established for local government entities in Colorado to pool surplus funds. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, Section 6. COLOTRUST currently offers three portfolios: (1) COLOTRUST PRIME, (2) COLOTRUST PLUS+, and (3) COLOTRUST EDGE.

The District's funds invested in COLOTRUST are invested in COLOTRUST PLUS+.

COLOTRUST PLUS+ is a local government investment pool that operates similarly to a money market fund and each share is equal in value to $1.00. COLOTRUST PLUS+ may invest in U.S. Treasury and

Agency securities, the highest rated commercial paper and repurchase agreements collateralized by U.S. Treasury and Agency securities. COLOTRUST PLUS is rated AAAm by Standard and Poor's and had a weighted average days to maturity (to reset) of 42 as of December 31, 2025.

A designated custodial bank serves as custodian for COLOTRUST's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for COLOTRUST's portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records identify the investments owned by the participating governments. The annual report including the audited financial statements of COLOTRUST PLUS+ may be obtained on their website at www.colotrust.com.

The District records its investments in COLOTRUST PLUS+ at fair value as determined by net asset value as a practical expedient.

Interest Rate Risk – Investments

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Board. The Board has not adopted an investment policy that allows investment maturities greater than five years.

Credit Risk – Investments

State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentrations of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer or institution. State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities. The District holds 100% of its investments in COLOTRUST portfolios.

NOTE 6 - CAPITAL ASSETS

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

	Balance December 31, 2024	Increases	Decreases	Balance December 31, 2025
Non-depreciable capital assets				
Land	$ 1,043,899	$ 310,000	$ -	$ 1,353,899
Total non-depreciable capital assets	1,043,899	310,000	-	1,353,899
Depreciable capital assets				
Buildings and improvements	4,334,373	-	-	4,334,373
Fire apparatus and ambulances	5,639,992	198,110	(80,966)	5,757,136
Total depreciable capital assets	9,974,365	198,110	(80,966)	10,091,509
Less accumulated depreciation for				
Buildings and improvements	(2,298,893)	(106,171)	-	(2,405,064)
Fire apparatus and ambulances	(3,355,598)	(309,390)	80,966	(3,584,022)
Total accumulated depreciation	(5,654,491)	(415,561)	80,966	(5,989,086)
Total capital assets being depreciated, net	4,319,874	92,549	-	4,102,423
Total capital assets, net of depreciation	$ 5,363,773	$ 402,549	$ -	$ 5,456,322

Depreciation expense was charged to functions/programs of the District as follows: firefighting/emergency medical services $309,390 and facility maintenance and operations $106,171.

During the year ended December 31, 2025, the District acquired land located at 6720 Road, Montrose, Colorado, with plans to construct a new fire station (Station #4) and a new administrative building to support future operations and growth, see Note 10.

NOTE 7 - LONG-TERM LIABILITIES

Changes in long-term liabilities:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Accrued compensated absences	$ 944,475	$ 89,793	$ -	$ 1,034,268	$ -
Total long-term liabilities	$ 944,475	$ 89,793	$ -	$ 1,034,268	$ -

NOTE 8 - PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Old Hire (Hired prior to April 8, 1978)

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at https://www.fppaco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

The District is trustee of a single-employer defined benefit pension plan for paid firefighters hired prior to April 8, 1978 (Old Hire Plan). The Old Hire Plan is administered by the FPPA. The Old Hire Plan's Board of Trustees is comprised of the District's Board of Directors and firefighters in accordance with Colorado statutes.

The Old Hire Plan provides normal retirement benefits, disability retirement and survivor benefits. Firefighters who have attained both 50 years of age and completed 20 years of active service in any fire department in the State of Colorado are eligible for a monthly pension equal to one-half of their monthly salary as of the date of retirement. Upon death, the surviving spouse receives a monthly pension based on one-third of the salary of a first grade firefighter at the time of retirement, until death or remarriage. The District has two retirees and no active members in the Old Hire Plan as of January 1, 2025, the actuarial valuation date.

At December 31, 2025, the District reported a net pension liability of $261,547 related to the Old Hire Plan. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability 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.

At December 31, 2025 the total pension liability was $297,730, the plan fiduciary net position was $36,183, and the pension plan fiduciary net position as a percentage of total pension liability was 12.15 percent. For the year ended December 31, 2025, the District recognized pension expense of $27,737 related to the Old Hire Plan.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 5,851	$ 1,027
Contributions subsequent to measurement date	36,616	-
Total	$ 42,467	$ 1,027

The deferred outflows of resources and deferred inflows of resources related to the Old Hire Plan are included with total deferred outflows of resources and total deferred inflows of resources on the statement of net position.

Deferred outflows of resources of $36,616 related to the Old Hire Plan resulting from contributions subsequent to the measurement date of December 31, 2024 will be recognized as a reduction of the net pension liability in the measurement period ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Old Hire Plan will be recognized in pension expense as follows:

For the years ending December 31,	
2026	$ 2,819
2027	2,316
2028	(327)
2029	16
2030	-
Thereafter	-
Total	$ 4,824

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were $36,616 for the year ended December 31, 2025.

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contributions rates have a one-year lag, so the actuarial valuation as of January 1, 2022, determines the contribution amounts for 2023 and 2024. Methods and assumptions used to determine contribution rates for the measurement period ended December 31, 2024 were as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately
Mortality	**Post-retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. **Disabled (pre-1980):** Post-retirement rates set forward three years.

Development of the single 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).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50 percent.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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
Cash	10.00%	5.50%
Fixed Income – Rates	70.00%	5.40%
Fixed Income – Credit	10.00%	5.90%
Diversifiers	0.00%	7.40%
Long Short	0.00%	7.00%
Global Public Equity	10.00%	8.30%
Private Markets	0.00%	10.20%
Total	100.00%	

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the plan's net pension liability calculated using the single discount rate of 4.50 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (3.50 percent) or 1-percentage-point higher (5.50 percent) than the current rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Proportionate share of the net pension liability	$ 278,118	$ 261,547	$ 246,577

Paid Firefighters (Hired after April 8, 1978)

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

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

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

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

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

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

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

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.

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 11.00 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 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 July 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions 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.

At December 31, 2024, the total pension liability for the SWDB Plan was $4,716,284,644, the plan fiduciary net position was $4,716,284,644, the net pension liability was $0, and the plan fiduciary net position as a percentage of the total pension liability was 100 percent.

At December 31, 2024, the District's proportion of the net pension liability of the SWDB Plan was 0.372000 percent, which was an increase of 0.027779 percent from its proportion measured as of December 31, 2023.

At December 31, 2025, the District reported a net pension liability of $0 for its proportionate share of the SWDB Plan net pension liability. The net pension liability was measured as of December 31, 2024. The collective total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2025. The actuarially determined contributions as of December 31, 2024 are based on the January 1, 2024 actuarial valuation. For the year ended December 31, 2025, the District recognized pension expense of $666,813 related to the SWDB Plan.

Employer contributions recognized by the SWDB Plan from the District were $456,134 for the measurement period ended December 31, 2025.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 126,989	$ -
Changes in actuarial assumptions	319,923	-
Contributions subsequent to measurement date	456,134	-
Difference between actual and expected experience	893,912	27,961
Changes in the employer's proportion and differences between the employer's contributions (other than those to separately finance specific liabilities of the individual employer to the plan) and the employer's proportionate share of contributions	4,503	-
Total	$ 1,801,461	$ 27,961

The deferred outflows and deferred inflows related to pensions are included with total deferred outflows and total deferred inflows on the statement of net position. Deferred outflows of resources of $456,134 related to FPPA pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the FPPA net pension liability in the measurement period ending 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:

For the years ending December 31,	Amounts Recognized in Pension Expense
2025	$ 365,606
2026	540,212
2027	38,209
2028	56,668
2029	124,542
Thereafter	187,626
Total	$ 1,312,863

The actuarial valuations for the SWDB Plan were used to determine the total pension liability and actuarially determined contributions for the measurement period ended December 31, 2024. The valuation used the following actuarial assumption and other inputs:

	Total Pension Liability	**Actuarial Determined Contributions**
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.75%	4.25% - 11.75%
Cost of Living Adjustments (COLA)	0.00%	0.00%
*Includes Inflation at	2.5%	2.5%

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33.00%	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%	

Discount rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

Sensitivity of the District's proportionate share of the net pension asset to changes in the discount rate. Regarding the sensitivity of the District's net pension liabilities to changes in the single discount rate, the following presents the net pension asset, calculated using a single discount rate of 7.00 percent, as well as what the District's net pension 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 (asset) liability	$ 1,815,328	$ 0	$ 0

The net pension liability of $0 reflects a reserve for cost of living adjustments and to manage adverse experience of $534,779 at a 7.00 percent discount rate and $2,480,886 at 8.00 percent discount rate.

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

Volunteer Firefighters

The FPPA administers an agent multiple-employer 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 https://www.fppaco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

The District is trustee of a single-employer defined benefit pension plan for all volunteer firefighters (Volunteer Plan). The Volunteer Plan is administered by the FPPA. The Volunteer Plan's Board of Trustees is comprised of the District's Board of Directors and firefighters in accordance with Colorado statutes.

The Volunteer Plan provides normal retirement benefits, disability retirement and survivor benefits. Fully vested firefighters receive the maximum benefit in an amount reviewed every other year during the actuarial review process. Firefighters who have attained both 50 years of age and completed 20 years of active service in any fire department in the State of Colorado are fully vested and are eligible for a normal retirement benefit of $875 per month, totaling $10,500 annually. Firefighters with 10 through 19 years of service are also eligible for a reduced monthly benefit of $43.75 per year of service, resulting in a monthly benefit of $437.50 to $831.25, totaling $5,250 to $9,975 annually. Upon death, the surviving spouse receives a monthly pension equal to 50 percent of the benefit previously received, payable until death or remarriage. The District had thirteen retirees, one inactive, nonretired member, and one active member in the Volunteer Plan as of January 1, 2024, the actuarial valuation date.

At December 31, 2025, the District reported a net pension liability of $233,348 related to the Volunteer Plan. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

At December 31, 2025, the total pension liability was $1,009,524, the plan fiduciary net position was $776,176, and the pension plan fiduciary net position as a percentage of total pension liability was 76.89 percent. For the year ended December 31, 2025, the District recognized pension expense of $153,443 related to the Volunteer Plan.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 48,133	$ 38,851
Contributions subsequent to measurement date	38,031	-
Total	$ 86,164	$ 38,851

The deferred outflows of resources and deferred inflows of resources related to the Volunteer Plan are included with total deferred outflows of resources and total deferred inflows of resources on the statement of net position.

Deferred outflows of resources of $38,031 related to the Volunteer Plan resulting from contributions subsequent to the measurement date of December 31, 2024 will be recognized as a reduction of the net pension liability in the measurement period ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Volunteer Plan will be recognized in pension expense as follows:

For the years ending December 31,	
2026	$ 4,887
2027	16,226
2028	(7,839)
2029	(3,992)
2030	-
Thereafter	-
Total	$ 9,282

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were $38,031 for the year ended December 31, 2025.

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contributions rates have a one-year lag, so the actuarial valuation as of January 1, 2023, determines the contribution amounts for 2024 and 2025.

Methods and assumptions used to determine contribution rates for the year ended December 31, 2024 were as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	17 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.

Development of the single 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).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 6.00 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 6.00 percent.

Based on plan maturity metrics, it is expected that the assets of this plan will be transitioned to FPPA's short-term pool within the next decade. Effective with the valuation as of January 1, 2025, the long-term expected rate of return will be changed to 6.00% to reflect this expectation.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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%	4.2%
Fixed Income – Rates	7.00%	5.0%
Fixed Income – Credit	7.00%	6.5%
Diversifiers	9.00%	5.7%
Long Short	6.00%	6.2%
Global Equity	33.00%	7.0%
Private Markets	34.00%	8.8%
Total	100.00%	

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the plan's pension liability calculated using the discount rate of 6.00 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Proportionate share of the net pension liability	$ 330,032	$ 233,348	$ 151,539

Non-Firefighters and EMS

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit

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

Plan Description

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

Benefits provided as of December 31, 2024

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of December 31, 2025

Eligible employees of the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq* and 24-51-413. Eligible employees are required to contribute 9.00 percent of their PERA-includable salary during the period of January 1, 2025 through December 31, 2025.

The employer contribution requirements during the period of January 1, 2025 through December 31, 2025 are summarized in the table below:

	January 1, 2024 through December 31, 2024
Employer Contribution Rate	11.00%
Amount of Employer Contribution Apportioned to the Heath Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	(1.02%)
Amount Apportioned to the LGDTF	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S., Section 24-51-411	1.50%
Defined contribution supplement as specified in C.R.S., Section 24-51-415	0.08%
Total Employer Contribution Rate to the LGDTF	13.76%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District for PERA were $28,107 for the year ended December 31, 2025.

At December 31, 2024, the total pension liability for the PERA LGDTF was $6,426,530,000, the plan fiduciary net position was $5,812,832,000, the net pension liability was $613,598,000, and the plan fiduciary net position as a percentage of the total pension liability was 90.45 percent.

The net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2025, the District reported a liability of $92,867 for its proportionate share of the net pension liability. At December 31, 2024, the District's proportion of the net pension liability of the PERA LGDTF was 0.015135 percent, which was a decrease of 0.000713 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension income related to the PERA LGDTF of $63,519. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERA LGDTF pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 7,008	$ -
Net difference between projected and actual earnings on pension plan investments	8,739	-
Contributions subsequent to measurement date	28,107	-
Changes in the employer's proportion and differences between the employer's contributions (other than those to separately finance specific liabilities of the individual employer to the plan) and the employer's proportionate share of contributions	-	7,329
Changes in actuarial assumptions	2,741	-
Total	$ 46,595	$ 7,329

The deferred outflows of resources and deferred inflows of resources related to pensions are included with total deferred outflows of resources and total deferred inflows of resources on the statement of net position. Deferred outflows of resources of $28,107 related to PERA LGDTF pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the PERA LGDTF net pension liability in the measurement period 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:

For the plan years ending December, 31	
2025	$ 16,993
2026	22,131
2027	(14,792)
2028	(5,856)
2029	-
Thereafter	-
Total	$ 18,476

Actuarial assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 – 11.30%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-retirement benefit increases: PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	1.00%
PERA Benefit Structure hired after 12/31/06 [1]	Financed by the AIR

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Divion reflect additional payments related to disaffiliation of Tri0County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocation to the Local Government Division Trust Fund and HCTF were $486,000 and $20,000, respectively.

All morality assumptions are developed on a benefit-weighted basis and apply generation mortality. Note that the morality tables are generationally projected using scale MP-2019

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	3.40% - 13.00%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every four years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, and again at the Board's September 20, 2024 meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return *
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of each of the Division Trust Funds as of the Current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Divino's Trust Fund and HCTF were $486 million and $20 million, respectively.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$203,267	$92,867	$118

Pension plan fiduciary net position. Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Health Care Trust Fund Program, an Other Post-Employment Benefit Plan

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit Other Post-Employment Benefit (OPEB) fund administered by PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description

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

Benefits provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $1,481 for the year ended December 31, 2025.

At December 31, 2025, the District reported a liability of $5,754 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.001203 percent, which was a decrease of 0.000057 from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized OPEB income of $1,345. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience in the measurement of the total OPEB liability	$ -	$ 1,269
Net difference between projected and actual earnings on OPEB plan investments	20	-
Changes in actuarial assumptions	66	1,839
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	767	-
Total	$ 853	$ 3,108

There were no amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of December 31, 2024 that will be recognized as a reduction in the net OPEB liability for the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are immaterial and will not be recognized in OPEB expense.

Actuarial assumptions. The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 – 11.30%
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based Premium subsidy	0.00%
PERACare Medicare Plans	N/A
Medicare Part A premiums	N/A

Each year the per capita health care costs are developed by plan option; currently based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure:

Age-Related Morbidity Assumptions

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

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$1,710	$1,420	$585	$486	$1,897	$1,575
70	$1,921	$1,589	$657	$544	$2,130	$1,763
75	$2,122	$1,670	$726	$571	$2,353	$1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,536	$5,429	$4,241	$3,523	$7,063	$5,866
70	$7,341	$6,073	$4,764	$3,941	$7,933	$6,563
75	$8,110	$6,385	$5,262	$4,143	$8,763	$6,900

The 2024 Medicare Part A premium is $505 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PeracAR3E Medicare Plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MADP PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans[1]	MAPD PPO #2[1]	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

[1] Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 112% of the rates prior to age 80/ 94% of the rates age 80 and older **Females**: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERA Care enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectations of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$1,824	$6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 106% of the rates for all ages **Females**: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	**100.00%**	

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$5,599	$5,754	$5,929

[1]For the January 1, 2025, plan year.

The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of each of the Health Care Trust Funds as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $20 million and $486 million, respectively.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$7,052	$5,754	$4,635

OPEB plan fiduciary net position

Detailed information about the HCTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Deferred Compensation Retirement Plan

The District offers its employees a deferred compensation plan (the DCA Plan) administered by FPPA created in accordance with Internal Revenue Code Section 457. The DCA Plan, available to all District employees, permits them to defer a portion of their salary until future years. The DCA Plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

All property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in the DCA Plan trust for the exclusive benefit of participants and their beneficiaries. FPPA is trustee of the trusts. The District has no ownership interest in the plan nor is the District liable for losses under the deferred compensation plan.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE 10 - SUBSEQUENT EVENT

On May 20, 2026, the District entered into a lease-purchase agreement (the LPA) with BOKF, NA funded via the issuance of certificates of participation (the COPs) with a par value of $13,995,000 and an associated premium of $313,299, for a total issuance price of $14,308,299. The District incurred issuance costs of $288,299 associated with the issuance of the COPs, leaving the District with net proceeds from the COPs of $14,020,000. The net proceeds of the COPs will be used by the District to finance the construction of a new fire station (Station #4), a new administrative office building, renovations to the existing fire station (Station #1), and other capital improvement projects within the District. The financing is secured by certain District-owned real property and improvements that were leased to the trustee pursuant to a site lease and leased back to the District under the LPA. The LPA associated with the COPs requires the District to make semiannual lease payments on May 1 and November 1, beginning November 1, 2026. These payments include interest due with each payment as well as principal due with every payment made on May 1st of a given year through maturity on May 1, 2026. Under the LPA, ownership of the constructed assets, including a new fire station (Station #4), a new administrative office building, renovations to the existing fire station (Station #1), and other capital improvement projects within the District will transfer to the District at the end of the payment term (i.e. maturity date of May 1, 2056) with no additional payments due from the District. Since the LPA results in a transfer of ownership as part of the LPA, it is accounted for as a financed purchase of assets rather than a lease in accordance with GASB Statement No. 87, *Leases*, which will result in the District recognizing a debt obligation of $14,308,299 related to future principal payments due under the LPA and the premium received on the issuance of the COPs, which will be amortized over the term of the related payments due. The District will also recognize the constructed assets as they are completed and costs of construction are incurred. The interest rate implicit in the LPA is approximately 4.95%. Principal and interest payments due under the LPA are as follows for the year ending December 31:

Year	Principal	Interest	Total
2026	$ -	$ 336,583	$ 336,583
2027	220,000	686,900	906,900
2028	220,000	675,900	895,900
2029	235,000	664,525	899,525
2030	245,000	652,525	897,525
2031-2035	1,415,000	3,061,875	4,476,875
2036-2040	1,815,000	2,660,125	4,475,125
2041-2045	2,315,000	2,146,375	4,461,375
2046-2050	2,940,000	1,509,688	4,449,688
2051-2055	3,730,000	699,250	4,429,250
2056	860,000	21,500	881,500
Total minimum future obligations	$ 13,995,000	$ 13,115,246	$ 27,110,246

Required Supplemental Information

MONTROSE FIRE PROTECTION DISTRICT

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND

For the year ended December 31, 2025

	Operating Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Property taxes	$ 7,357,507	$ 7,487,135	$ 129,628
Specific ownership taxes	828,000	972,220	144,220
Interest on delinquent taxes	19,531	15,058	(4,473)
Charges for services, net of adjustments	1,895,000	2,195,766	300,766
Miscellaneous	154,167	165,264	11,097
Grants	26,750	27,084	334
Earnings on deposits and investments	225,000	291,573	66,573
Permits and fees	10,000	11,875	1,875
Lease purchase proceeds	9,000,000	-	(9,000,000)
Total Revenues	19,515,955	11,165,975	(8,349,980)
EXPENDITURES			
Current			
Fire fighting/EMS	6,741,068	6,280,570	460,498
Administration	1,559,196	1,479,607	79,589
Equipment and supplies	380,399	370,634	9,765
Wildland fire	110,700	181,147	(70,447)
Communications	182,295	177,637	4,658
Facility maintenance and operations	194,020	155,325	38,695
Training	59,000	40,686	18,314
Fire prevention	34,600	20,232	14,368
Capital outlay	10,053,500	1,130,146	8,923,354
Total Expenditures	19,314,778	9,835,984	9,478,794
Excess of Revenues Over Expenditures (Expenditures Over Revenues)	201,177	1,329,991	1,128,814
Net Change in Fund Balance	$ 201,177	1,329,991	$ 1,128,814
Fund Balance - January 1		5,579,135	
Fund Balance - December 31		$ 6,909,126	

See accompanying notes.

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

OLD HIRE PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY / (ASSET) AND RELATED RATIOS
LAST 10 YEARS (to be built prospectively)

As of December 31, *

Plan measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest on the total pension liability	$ 13,679	$ 13,425	$ 14,505	$ 14,070	$ 15,045	$ 20,099	$ 21,152	$ 19,842	$ 20,830	$ 19,722
Benefit changes	9,115	-	14,863	18,342	16,085	-	9,312	9,796	-	-
Difference between expected and actual experience of the total pension liability	-	21,807	-	-	-	13,674	-	13,132	-	11,929
Changes of assumptions	-	700	-	-	-	52,430	-	-	-	16,532
Benefit payments	(39,412)	(39,412)	(37,612)	(37,612)	(35,812)	(35,812)	(34,612)	(34,612)	(33,412)	(33,412)
Net change in total pension liability	(16,618)	(3,480)	(8,244)	(5,200)	(4,682)	50,391	(4,148)	8,158	(12,582)	14,771
Total pension liability - beginning	314,348	317,828	326,072	331,272	335,954	285,563	289,711	281,553	294,135	279,364
Total pension liability - ending	$ 297,730	$ 314,348	$ 317,828	$ 326,072	$ 331,272	$ 335,954	$ 285,563	$ 289,711	$ 281,553	$ 294,135
Plan Fiduciary Net Position										
Employer contributions	$ 33,081	$ 33,081	$ 31,021	$ 31,021	$ 27,483	$ 27,483	$ 24,319	$ 24,319	$ 17,593	$ 17,593
Net investment income	1,721	3,764	(10,282)	809	7,062	9,521	153	13,149	5,147	2,211
Benefit payments	(39,412)	(39,412)	(37,612)	(37,612)	(35,812)	(35,812)	(34,612)	(34,612)	(33,412)	(33,412)
Pension plan administrative expense	(4,650)	(1,468)	(4,103)	(1,210)	(3,811)	(1,377)	(4,486)	(877)	(3,334)	(533)
Net change in plan fiduciary net position	(9,260)	(4,035)	(20,976)	(6,992)	(5,078)	(185)	(14,626)	1,979	(14,006)	(14,141)
Plan fiduciary net position - beginning (market value of assets at beginning of year)	45,443	49,478	70,454	77,446	82,524	82,709	97,335	95,356	109,362	123,503
Plan fiduciary net position - ending (market value of assets at end of year)	$ 36,183	$ 45,443	$ 49,478	$ 70,454	$ 77,446	$ 82,524	$ 82,709	$ 97,335	$ 95,356	$ 109,362
Net Pension Liability	261,547	268,905	268,350	255,618	253,826	253,430	202,854	192,376	186,197	184,773
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	12.15%	14.46%	15.57%	21.61%	23.38%	24.56%	28.96%	33.60%	33.87%	37.18%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 (the Plan's measurement periods) occurring prior to the District's calendar years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 in accordance with Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions.

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
OLD HIRE PLAN SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS (to be built prospectively)

For the Years Ended December 31,

Plan Year Ended December 31,	Actuarially Determined Contribution *	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2024	$ 33,081	$ 33,081	$ -	N/A	N/A
2023	$ 33,081	$ 33,081	$ -	N/A	N/A
2022	$ 31,021	$ 31,021	$ -	N/A	N/A
2021	$ 31,021	$ 31,021	$ -	N/A	N/A
2020	$ 27,483	$ 27,483	$ -	N/A	N/A
2019	$ 27,483	$ 27,483	$ -	N/A	N/A
2018	$ 24,319	$ 24,319	$ -	N/A	N/A
2017	$ 24,319	$ 24,319	$ -	N/A	N/A
2016	$ 17,593	$ 17,593	$ -	N/A	N/A
2015	$ 17,593	$ 17,593	$ -	N/A	N/A

***** Actuarily determined contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSETS) OF THE STATEWIDE DEFINED BENEFIT PENSION PLAN

As of December 31, *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.3720%	0.3442%	0.3729%	0.3515%	0.3277%	0.3197%	0.3454%	0.3961%	0.4651%	0.5002%
District's proportionate share of the net pension (asset) liability	$ -	$ 67,581	$ 330,968	$ (1,904,845)	$ (711,535)	$ (180,823)	$ (436,718)	$ 569,811	$ (168,046)	$ 8,818
District's covered payroll	$ 3,272,144	$ 2,980,591	$ 2,829,800	$ 2,545,880	$ 2,438,558	$ 2,247,213	$ 2,238,628	$ 2,228,510	$ 2,193,068	$ 2,184,197
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	0.00%	2.27%	11.70%	-74.82%	-29.18%	-8.05%	-19.51%	25.57%	-7.66%	0.40%
Plan fiduciary net position as a percentage of the total pension (asset) liability	100.00%	100.00%	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%

* The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 (the Plan's measurement periods) occurring prior to the District's calendar years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* .

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE STATEWIDE DEFINED BENEFIT PENSION PLAN

For the Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 405,620	$ 321,269	$ 291,966	$ 240,514	$ 210,598	$ 188,516	$ 185,111	$ 185,339	$ 190,410	$ 193,990
Contributions in relation to the statutorily required contribution	(405,620)	(321,269)	(291,966)	(240,514)	(210,598)	(188,516)	(185,111)	(185,339)	(190,410)	(193,990)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	3,272,144	2,980,591	2,829,800	2,545,880	2,438,558	2,247,213	2,238,628	2,228,510	2,193,068	2,184,197
Contributions as a percentage of covered payroll	12%	11%	10%	9%	9%	8%	8%	8%	9%	9%

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
VOLUNTEER PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY / (ASSET) AND RELATED RATIOS
LAST 10 YEARS (to be built prospectively)

As of December 31, *

Plan measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 1,161	$ 1,161	$ 1,139	$ 1,139	$ 3,184	$ 3,184	$ 2,932	$ 2,932	$ 5,367	$ 5,367
Interest on the total pension liability	58,353	60,489	60,715	62,290	63,592	64,755	63,294	64,361	75,050	75,262
Benefit changes	84,989	-	-	-	31,094	-	61,785	-	37,205	-
Difference between expected and actual experience of the total pension liability	(882)	-	15,011	-	(29,546)	-	3,023	-	(207,867)	-
Changes of assumptions	81,809	-	6,939	-	-	-	33,171	-	30,510	-
Benefit payments	(96,263)	(88,213)	(85,920)	(85,920)	(85,920)	(83,234)	(83,041)	(80,040)	(83,084)	(83,820)
Net change in total pension liability	129,167	(26,563)	(2,116)	(22,491)	(17,596)	(15,295)	81,164	(12,747)	(142,819)	(3,191)
Total pension liability - beginning	880,357	906,920	909,036	931,527	949,123	964,418	883,254	896,001	1,038,820	1,042,011
Total pension liability - ending	$ 1,009,524	$ 880,357	$ 906,920	$ 909,036	$ 931,527	$ 949,123	$ 964,418	$ 883,254	$ 896,001	$ 1,038,820
Plan Fiduciary Net Position										
Employer contributions	$ 38,031	$ 38,031	$ 38,031	$ 38,031	$ 38,031	$ 35,912	$ 35,912	$ 34,000	$ 34,000	$ 34,000
Net investment income	70,778	67,940	(64,835)	106,859	87,565	86,336	705	84,532	30,306	10,303
Benefit payments	(96,263)	(88,213)	(85,920)	(85,920)	(85,920)	(83,234)	(83,041)	(80,040)	(83,084)	(83,820)
Pension plan administrative expense	(4,732)	(7,334)	(4,257)	(5,862)	(3,542)	(5,815)	(4,088)	(5,509)	(1,178)	(3,193)
State of Colorado supplemental discretionary payment	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
Net change in plan fiduciary net position	30,314	32,924	(94,481)	75,608	58,634	55,699	(28,012)	55,483	2,544	(20,210)
Plan fiduciary net position - beginning (market value of assets at beginning of year)	745,862	712,938	807,419	731,811	673,177	617,478	645,490	590,007	587,463	607,673
Plan fiduciary net position - ending (market value of assets at end of year)	$ 776,176	$ 745,862	$ 712,938	$ 807,419	$ 731,811	$ 673,177	$ 617,478	$ 645,490	$ 590,007	$ 587,463
Net Pension Liability / (Asset)	233,348	134,495	193,982	101,617	199,716	275,946	346,940	237,764	305,994	451,357
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.89%	84.72%	78.61%	88.82%	78.56%	70.93%	64.03%	73.08%	65.85%	56.55%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 (the Plan's measurement periods) occurring prior to the District's calendar years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* .

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
VOLUNTEER PLAN SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS (to be built prospectively)

For the Years Ended December 31,

Plan Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2024	$ 26,032	$ 60,531	$ (34,499)	N/A	N/A
2023	$ 24,596	$ 60,531	$ (35,935)	N/A	N/A
2022	$ 24,596	$ 60,531	$ (35,935)	N/A	N/A
2021	$ 38,031	$ 60,531	$ (22,500)	N/A	N/A
2020	$ 38,031	$ 60,531	$ (22,500)	N/A	N/A
2019	$ 29,255	$ 58,412	$ (29,157)	N/A	N/A
2018	$ 29,255	$ 58,412	$ (29,157)	N/A	N/A
2017	$ 46,610	$ 56,500	$ (9,890)	N/A	N/A
2016	$ 46,610	$ 56,500	$ (9,890)	N/A	N/A
2015	$ 44,354	$ 56,500	$ (12,146)	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE PERA NET PENSION LIABILITY

As of December 31, *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0151%	0.0158%	0.0187%	0.0200%	0.0172%	0.0135%	0.0140%	0.0114%	0.0107%	0.0103%
District's proportionate share of the net pension liability	$ 92,867	$ 116,330	$ 187,695	$ 19,687	$ 89,636	$ 98,544	$ 175,550	$ 127,214	$ 143,939	$ 113,073
District's covered payroll	$ 145,234	$ 139,226	$ 142,213	$ 153,283	$ 149,139	$ 113,094	$ 91,208	$ 72,077	$ 58,295	$ 58,340
District's proportionate share of the net pension liability as a percentage of its covered payroll	63.94%	83.55%	131.98%	12.84%	60.10%	87.13%	192.47%	176.50%	246.91%	193.82%
Plan fiduciary net position as a percentage of the total net pension liability	90.45%	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.87%

* The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 (the Plan's measurement periods) occurring prior to the District's calendar years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* .

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE PERA DEFINED BENEFIT PENSION PLAN

For the Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 19,984	$ 19,130	$ 20,632	$ 19,687	$ 15,701	$ 11,765	$ 11,613	$ 9,139	$ 10,294	$ 13,086
Contributions in relation to the statutorily required contribution	(19,984)	(19,130)	(20,632)	(19,687)	(15,701)	(11,765)	(11,613)	(9,139)	(10,294)	(13,086)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 145,234	$ 139,226	$ 142,213	$ 153,283	$ 149,139	$ 113,094	$ 92,783	$ 91,208	$ 72,077	$ 58,295
Contributions as a percentage of covered payroll	13.76%	13.74%	14.51%	12.84%	10.53%	10.40%	12.52%	10.02%	14.28%	22.45%

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE PERA NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY

As of December 31, *

	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net other post-employment benefit (OPEB) liability	0.0012%	0.0013%	0.0015%	0.0015%	0.0013%	0.0010%	0.0011%
District's proportionate share of the net OPEB liability	$ 5,754	$ 8,992	$ 12,333	$ 13,436	$ 11,538	$ 11,538	$ 11,538
District's covered payroll	$ 145,234	$ 139,226	$ 142,213	$ 153,283	$ 149,139	$ 113,094	$ 92,783
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96%	6.46%	8.67%	8.77%	7.74%	10.20%	12.44%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	32.78%	32.78%	24.49%	17.03%

* The amounts presented for the years shown above were determined as of and for the calendar year ended December 31, 2024, 2023, 2022, 2021, 2020, and 2019 (the Plan's measurement period) occurring prior to the District's calendar year ended December 31, 2025, 2024, 2023, 2022, 2021, and 2020 in accordance with Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.*

MONTROSE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE PERA OTHER POST-EMPLOYMENT BENEFIT PLAN

For the Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ 1,481	$ 1,420	$ 1,563	$ 1,563	$ 1,154	$ 1,154	$ 946
Contributions in relation to the statutorily required contribution	(1,481)	(1,420)	(1,563)	(1,563)	(1,154)	(1,154)	(946)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 145,234	$ 139,226	$ 142,213	$ 153,283	$ 149,139	$ 113,094	$ 92,783
Contributions as a percentage of covered payroll	1.02%	1.02%	1.10%	1.02%	0.77%	1.02%	1.02%

Other Supplemental Information

MONTROSE FIRE PROTECTION DISTRICT

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE − GENERAL FUND

For the years ended December 31, 2025, 2024, and 2023

	2025	2024	2023
REVENUES			
Property taxes	$ 7,487,135	$ 7,202,899	$ 5,192,841
Specific ownership taxes	972,220	849,439	812,594
Interest on delinquent taxes	15,058	18,865	13,225
Charges for services, net of adjustment	2,195,766	1,916,915	1,921,569
Miscellaneous	165,264	142,768	105,687
Earnings on deposits and investments	291,573	267,247	214,517
Capital grants	27,084	-	46,123
Permits and fees	11,875	12,379	6,029
Total Revenues	11,165,975	10,410,512	8,312,585
EXPENDITURES			
Current:			
Fire fighting/EMS	6,280,570	5,879,372	5,314,387
Administration	1,479,607	1,302,257	1,076,390
Equipment and supplies	370,634	319,629	263,827
Wildland fire	181,147	-	-
Communications	177,637	189,546	173,984
Facility maintenance and operations	155,325	167,857	161,213
Training	40,686	45,857	20,896
Fire prevention	20,232	10,492	16,938
Capital outlay	1,130,146	438,533	1,268,264
Lease-purchase obligations and debt service:			
Principal	-	669,251	155,175
Interest	-	20,179	25,076
Total Expenditures	9,835,984	9,042,973	8,476,150
Excess of Revenues and Other Financing Sources Over Expenditures (Excess of Expenditues Over Revenues and Other Financing Sources)	1,329,991	1,367,539	(163,565)
Net Change in Fund Balance	1,329,991	1,367,539	(163,565)
Fund Balance - January 1	5,579,135	4,211,596	4,375,161
Fund Balance - December 31	$ 6,909,126	$ 5,579,135	$ 4,211,596

See accompanying notes.