

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Financial Statements and
Report of Independent Auditors
December 31, 2025

PLATEAU VALLEY FIRE PROTECTION DISTRICT

TABLE OF CONTENTS December 31, 2025

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT DISCUSSION & ANALYSIS	3
FINANCIAL STATEMENTS	
Statement of Net Position and Governmental Fund Balance Sheet	5
Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund and Statement of Activities	7
Reconciliation of Statement of Revenues, Expenditures and Change in the Fund Balances of the Governmental Fund to the Statement of Activities	8
Notes to the Financial Statements	9
REQUIRED SUPPLEMENTAL INFORMATION	
PENSIONS:	
STATEWIDE FIRE & POLICE DEFINED BENEFIT PLAN (SWDB)	
Schedule of Department's Proportionate Share of the Net Pension Liability (Asset)	25
Schedule of Department Contributions-SWDB	25
VOLUNTEER DEFINED BENEFIT PENSION PLAN	
Schedule of Change in Net Pension Liability /(Asset) & Related Ratio Information	26
Schedule of Contributions Multiyear	27
Schedule of Revenues, Expenditures, & Change in Fund Balance Budget and Actual	28



Blair and Associates, P.C.
Cedaredge, Colorado

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Plateau Valley Fire Protection District
Mesa, Colorado 81643

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Plateau Valley Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Plateau Valley Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Blair and Associates, P.C.

Cedaredge, Colorado
May 20, 2026

Plateau Valley Fire Protection District Management's Discussion and Analysis

This discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District financial issues and activities. Please read it in conjunction with the District's financial statements that follow the MD&A.

USING THIS ANNUAL REPORT

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

- Statement of net position and governmental fund balance sheet – reports the District's current financial resources (short-term spendable resources with capital assets and short and long-term obligations).
- Statement of revenue, expenditures, and changes in fund balances – governmental and statement of activities – reports the District operating and non-operating revenues by major source along with operating and non-operating expenditures.
- Statement of revenues, expenditures, and change in fund balance actual and budget – compares the District's budgeted and actual revenues and expenditures for the year ended December 31, 2025.

STATEMENT OF NET POSITION – GOVERNMENT-WIDE

The following table shows the condensed statement of net position for the past two years.

	2025	2024
Current Assets	\$ 2,653,620	\$ 2,347,063
Capital Assets (Net of Depreciation)	1,323,002	1,298,499
Net Pension Assets	954,564	928,024
Total Assets	<u>4,931,186</u>	<u>4,573,586</u>
Deferred Outflows of Resources	<u>446,183</u>	<u>541,079</u>
Current Liabilities	114,814	45,173
Net Pension Liability	-	-
Long-term Liabilities	52,904	45,069
Total Liabilities	<u>167,718</u>	<u>90,242</u>
Deferred Inflow of Resources		
Pension	185,017	288,444
Property Taxes	1,220,276	832,131
Total Deferred Inflow of Resources	<u>1,405,293</u>	<u>1,120,575</u>
Net Position		
Investment in Capital Assets	1,323,002	1,298,499
Restricted for TABOR	53,000	54,000
Restricted for Pensions	1,215,730	1,180,659
Committed for Capital Replacement	800,000	800,000
Unrestricted	412,626	570,690
Total Net Position	<u>\$ 3,804,358</u>	<u>\$ 3,903,848</u>

The net position of the District decreased by \$99,492 in 2025. This is largely due to a decrease in investments. The District's total assets increased by \$357,600 in 2025 due to the addition of fixed assets as well as an increase in Wildland fire receivable. The District's total liabilities increased in 2025 by \$77,476 due to an increase in accounts payable.

	2025	2024
Operating Revenue		
Charges for Services	\$ 319,766	\$ 358,877
Total Operating Revenue	319,766	358,877
Non-Operating Revenue:		
General Property Taxes	901,736	1,137,597
Specific Ownership Tax	103,700	125,384
Investment Income	49,160	65,335
Other Revenue	377,990	111,367
Total Non-Operating Revenue	1,432,586	1,439,683
Total Revenue	\$ 1,752,352	\$ 1,798,560

The District's total revenues decreased in 2025 by \$46,208 from 2024. The revenue decrease was a result of an decrease in property taxes.

REVIEW OF EXPENDITURES

	2025	2024
Operating Expenditures:		
EMS & Fire Operating Expenditures	\$ 142,635	\$ 137,706
Building & Grounds	35,463	51,041
Administration	1,451,584	1,288,316
Communication	15,345	14,165
Capital Outlays	258,554	37,159
Total Expenditures	\$ 1,903,581	\$ 1,528,387

The District's expenses increased \$375,194, in large part, this was due to an increase in capital expenditures and an increase in administration expenses. The major capital asset purchased during 2025 was an exhaust system for the fire station.

ECONOMICS AND OTHER FACTORS

The District's financial position declined in 2025, This was primarily driven by increased expenditures, particularly capital and administrative cost, which outpaced available revenues. Total revenues also declined slightly due to reduced property tax income. While assets increased from capital additions and wildland fire receivables, this was offset by higher liabilities, resulting in a overall decrease in financial position at year end.

FINANCIAL CONTACT

The District's financial statements are designed to present users (service users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Fire Chief, Plateau Valley Fire Protection District, P.O. Box 210, Mesa, Colorado 81643, or 970-268-5283.

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

	Governmental Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 141,761	\$ -	\$ 141,761
Accounts receivable (less allowance of \$133,000)	152,693	-	152,693
Property taxes receivable	1,220,276	-	1,220,276
Other current receivables	143,880	-	143,880
Prepaid expenses	36,716	-	36,716
Investments	958,294	-	958,294
Capital Assets (net of accumulated depreciation):			
Land	-	175,396	175,396
Construction in Progress	-	50,005	50,005
Building and improvements	-	479,570	479,570
Fire trucks and equipment	-	357,841	357,841
Rescue vehicles and equipment	-	49,816	49,816
Station equipment	-	209,894	209,894
Communication equipment	-	480	480
Net Pension Asset-Volunteer Pension	-	954,564	954,564
DEFERRED OUTFLOW OF RESOURCES:			
SWDB	-	202,871	202,871
Volunteer Pension	-	243,312	243,312
TOTAL ASSETS	<u><u>\$ 2,653,620</u></u>	<u><u>2,723,749</u></u>	<u><u>5,377,369</u></u>
LIABILITIES			
Accounts payable	\$ 84,201	-	84,201
Other current liabilities	30,613	-	30,613
Long-term liabilities:			
Compensated absences	-	52,904	52,904
TOTAL LIABILITIES	<u><u>114,814</u></u>	<u><u>52,904</u></u>	<u><u>167,718</u></u>
DEFERRED INFLOW OF RESOURCES			
Property taxes	1,220,276	-	1,220,276
Volunteer Pension	-	181,973	181,973
State Wide Defined Benefit Plan- FPPA	-	3,044	3,044
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>1,220,276</u></u>	<u><u>185,017</u></u>	<u><u>1,405,293</u></u>
FUND BALANCES AND NET Position			
Emergency reserve - TABOR	53,000	(53,000)	-
Committed for Capital Replacement	800,000	(800,000)	-
Nonspendable	36,716	(36,716)	-
Unassigned	428,814	(428,814)	-
TOTAL FUND BALANCES	<u><u>1,318,530</u></u>	<u><u>(1,318,530)</u></u>	<u><u>-</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,653,620</u></u>		
NET Position			
Invested in capital assets, net of related debt		1,323,002	1,323,002
Restricted for:			
Pensions		1,215,730	1,215,730
TABOR emergency		53,000	53,000
Committed for Capital Replacement		800,000	800,000
Unrestricted		412,626	412,626
TOTAL NET POSITION		<u><u>\$ 3,804,358</u></u>	<u><u>\$ 3,804,358</u></u>

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

Plateau Valley Fire Protection District
Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position
December 31, 2025

Fund balance per general fund balance sheet	\$ 1,318,530
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,323,002
Compensated Absences	(52,904)
Pension Funds not reported at General fund level	1,215,730
Net Position for governmental activities	<u><u>\$ 3,804,358</u></u>

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

Plateau Valley Fire Protection District
Statement of Revenue, Expenditures, and Change in Fund Balances-Governmental
and Statement of Activities
For the Year Ended December 31, 2025

	General Fund	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES			
Fire protection-operation	\$ 1,645,027	\$ 7,835	\$ 1,652,862
Capital outlay	258,554	(258,554)	-
Depreciation	-	223,848	223,848
Pension Activity	-	(24,868)	(24,868)
Total expenditures/expenses	<u>1,903,581</u>	<u>(51,739)</u>	<u>1,851,842</u>
PROGRAM REVENUES			
Charges for services	<u>319,766</u>	<u>-</u>	<u>319,766</u>
Net program expenses	<u>(1,583,815)</u>	<u>51,739</u>	<u>(1,532,076)</u>
GENERAL REVENUES			
Property taxes	901,736	-	901,736
Specific ownership	103,700	-	103,700
Interest income	49,160	-	49,160
Miscellaneous income	377,990	-	377,990
Total general revenues	<u>1,432,586</u>	<u>-</u>	<u>1,432,586</u>
Excess of expenditures over revenues	(151,229)	51,739	
Change in net Position			(99,490)
FUND BALANCE/NET Position			
Beginning of the year	1,469,759	2,434,089	3,903,848
End of the year	<u>\$ 1,318,530</u>	<u>\$ 2,485,828</u>	<u>\$ 3,804,358</u>

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

Plateau Valley Fire Protection District
Reconciliation of the Statement of Revenues Expenditures,
and Change in the Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2025

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

Excess of revenues over expenditures - general fund	<u>\$ (151,229)</u>
Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	258,554
Depreciation	<u>(223,848)</u>
	<u>34,706</u>
Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.	24,868
	<u>24,868</u>
Increase of compensated absences is reported as a reduction an expense on the statement of activities.	<u>(7,835)</u>
Change in Net Position of governmental activities	<u><u>\$ (99,490)</u></u>

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 1 - Summary of Significant Accounting Policies

The Plateau Valley Fire Protection District is a special service district governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection and ambulance services within and surrounding the area of Plateau Valley.

The District operates under the Board of Directors elected by the voters of the District. The District's financial statements include the accounts and operations of all the District's functions.

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

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

Risk of Loss

The District is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance coverage for vehicles, commercial property, commercial umbrella, commercial general liability, and management liability through the Volunteer Firemen Insurance Services. The District retains no risk of loss.

Capital Assets

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

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 5 to 40 years and are depreciated on the straight-line method. It is the District's policy to capitalize individual items costing \$2,500 or more.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 1 - Summary of Significant Accounting Policies-Continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The District considers revenues to be available if they are collectible within 120 days except for property taxes which are considered available if they are collectible within 60 days after year-end. Property taxes, and interest associated with the current year are susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

The government reports the following major governmental fund:

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

Generally, the effect of inter-fund activity has been eliminated from government-wide financial statements.

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

Compensated Absences

The District adopted a policy addressing compensated absences for full-time employees only. A summary of that policy follows.

Paid Time Off - 40 - hour Employees:

1 thru 5 years	15.75 Days
6 thru 10 years	18.00 Days
11 thru 15 years	21.75 Days
16 + years	24.75 Days

Paid Time Off - 56 - hour Employees:

1 thru 5 years	18.00 Days
6 thru 10 years	22.50 Days
11 thru 15 years	27.00 Days
16 + years	31.50 Days

The maximum accrual rate is three times the annual PTO hours. On December 31, 2025, the vacation time accrued was \$52,904.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 1 - Summary of Significant Accounting Policies-Continued

Budgets and Budgetary Accounting

Annual appropriated expenditures budgets are adopted for Governmental Fund and the Fiduciary Fund. Annual budgets for the Governmental Fund are prepared on the modified accrual basis of accounting. Annual appropriation budgets are adopted for the Fiduciary Fund on the accrual basis of accounting. The appropriations are adopted, and may not be exceeded, on a total fund basis. The details of the budget calendar are outlined below:

August 25	Assessors certify to all taxing entities and to the Division of Local Government the total new assessed and actual values (for real and personal property) used to compute the statutory and TABOR property tax revenue limits. (C.R.S. 39-5-121 (2)(b) and 39-5-128).
October 15	Budget officer must submit proposed budget to the governing body. (C.R.S. 29-1-105) Governing body must publish "Notice of Budget" upon receiving proposed budget. (C.R.S. 29-1-106(1)) Notice may be posted if the budget is less than \$50,000.
November 1	Deadline for submitting applications to the Division for an increased levy pursuant to 29-1-302, C.R.S. and applications for exclusion of assessed valuation attributable to new primary oil or gas production from the 5.5% limit pursuant to (C.R.S. 29-1-301 (1)(b))
December 10	Assessors' changes in assessed valuation will be made only once by a single notification (re-certification) to the county commissioners or other body authorized by law to levy property tax, and to DLG. (C.R.S. 39-1-111(5))
December 15	Deadline for certification of mill levy to county commissioners (C.R.S. 39-5-128(1)). Local governments levying property tax must adopt their budgets before certifying the levy to the county. If the budget is not adopted by certification deadline, then 90 percent of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re-appropriated for the purposes specified in such last appropriation. (C.R.S. 29-1-108(2) and (3))
December 22	Deadline for county commissioners to levy taxes and to certify the levies to the assessor. (C.R.S. 39-1-111(1))
December 31	Local governments not levying a property tax must adopt the budget on or before this date; if they fail to adopt the budget see the penalty for failure to adopt cited on December 15. All governing bodies must enact a resolution or ordinance to appropriate funds for the ensuing fiscal year. If the budget is not appropriated by year-end, then 90 percent of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re-appropriated for the budget year. (C.R.S. 29-1-108(4))

On or before December 31, the Board shall enact an ordinance appropriating the budget for the ensuing fiscal year. The Board may amend the appropriation ordinance at any time during the year in the event of an emergency.

Property Taxes

Annual property taxes are levied on January 1, based on assessed valuation certified by Mesa County by December 15 of the prior year. On January 1, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections monthly to the District.

The District recognizes a receivable for property tax when the tax is levied. Deferred revenue is recorded in the same amount since the taxes are not available at year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 1 - Summary of Significant Accounting Policies-Continued

Encumbrances

Encumbrance accounting is not employed.

Use of Estimates

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

Pensions

Statewide Defined Benefit Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Volunteer Fire Pension Fund

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

Subsequent Events

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

Note 2 – Employee Retirement Statewide Plan

General Information about the Fire & Police Statewide Defined Benefit Plan

Plan Description

The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 230 participating employer fire and police departments.

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

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 2 – Employee Retirement Statewide Plan-Continued

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 an available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

General Information about the Fire & Police Statewide Defined Benefit Plan

Description of Benefits

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

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

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

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

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

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.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan

Description of Benefits-continued

Upon termination, a member may elect to have their member contributions, along with 5 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

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

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 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 January 1, 2024, 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.

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.

Contributions to the Plan from the Department were \$56,899 for 2025.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Basis of Presentation

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

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

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

Actuarial Valuation Dates

The collective total pension liability as of December 31, 2024, is based upon the January 1, 2025, actuarial valuation. The actuarially determined contributions as of December 21, 2024, are based upon the January 1, 2024, actuarial valuation.

Actuarial Assumptions.

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

	Total Pension Liability	Actuarial Determined Contributions
	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	2.50%	2.50%

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.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Actuarial assumptions-continued

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 & Company, 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	7.0%	5.00%
Absolute Return	9.00%	5.70%
Fixed Income-Credit	7.00%	6.50%
Cash	4.00%	4.20%
Total	100%	

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

On December 31, 2024, the Department reported a net liability of \$0 for its proportionate share of the net pension liability/ (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability/ (asset) was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. On December 31, 2024, the Department's proportion was 0.040499 percent, which was an increase/ (decrease) of 0.006644 percent from its proportion measured as of December 31, 2024.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

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

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

	1.00% Decrease	Current Discount Rate	1.00% Increase
Department's proportionate share of the net pension liability/(asset)	\$ 197,631	\$ 0	\$ 0

Reconciliation of Collective Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the Department recognized pension expense of \$0. On December 31, 2024, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

	Difference Between Actual and Expected Experience	Changes in Assumptions	Net difference Between Projected and Actual Investment Earnings
Beginning Deferral Amounts as of Measurement Date, December 31, 2023	\$ 77,128	\$ 44,736	\$ 55,371
Deferral Amounts Added	42,903	-	(47,991)
Total Amortization Amounts Recognized in Pension Expense	(22,712)	(9,908)	6,445
Current Year contribution	<u>56,899</u>	<u>-</u>	<u>-</u>
Outstanding Deferral Amounts as of Measurement Date, December 31, 2024	<u>\$ 154,218</u>	<u>\$ 34,828</u>	<u>\$ 13,825</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Reconciliation of Collective Deferred Outflows and Inflows of Resources-continued

Deferred Inflows of Resources

	Difference Between Actual and Expected Experience	Change in Assumptions	Net Difference Between Projected and Actual Investment Earnings
Beginning Deferral Amounts as of Measurement Date, December 31, 2022	\$ 3,706	\$ -	\$ -
Deferral Amounts Added	-	-	-
Total Amortization Amounts Recognized in Pension Expense	<u>(662)</u>	<u>-</u>	<u>-</u>
Outstanding Deferral Amounts as of Measurement Date, December 31, 2024	<u>\$ 3,044</u>	<u>\$ -</u>	<u>\$ -</u>

\$56,899 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

Net Amount of Collective Deferred Inflows and Outflows of Resources Recognized in the Collective Net Pension Expense in Subsequent Years

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

For the Plan Year Ended December 31,	Amounts Recognized in Collective Pension Expense
2025	\$ 39,803
2026	58,812
2027	4,160
2028	6,169
2029	13,559
Thereafter	20,426

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 3 – Statewide Death and Disability Plan

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

Funding Policy – The District and/or employee is required to contribute at a rate of 3.0% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.0% contribution may be paid entirely by the employer or the member, or it may be split between SWD & DP on behalf of the employees was \$30,183 equal to the required contribution for each year.

Note 4 – Volunteer Retirement Plan

General Information about the Volunteer Fire Pension Plan

Plan Description

The Entity contributes to the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS) administered by the Fire & Police Pension Association (FPPA). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>. For the measurement period ending December 31, 2024, the VFDP included membership of 17 retirees and beneficiaries, 4 inactive, non-retired members, and 14 active members for a total of 35 members.

Benefits Provided

Normal Retirement

A member is eligible for a normal retirement pension once the member has completed twenty years of credited service and has attained the age of 50. The monthly regular retirement benefit is \$800. A supplemental monthly pension payment to a volunteer who has attained the age of 50 years and who has been in active service in excess of 20 years can receive an extended service amount up to 5% of the monthly pension amount per additional year of service. The amount cannot exceed a maximum of ten additional years.

Vested Retirement

A member with 10 or more but less than 20 years of service is eligible to receive a benefit of \$40 per month times the number of vesting years.

Disability Retirement Benefit

A member is eligible for long-term disability for injuries in the line of duty. Long-term disability is a lifetime amount after one year of service of \$800 per month.

Survivor Benefits

Survivor benefits are available at one-half of the amount of the normal retirement pension, or \$400 per month. This amount is available to a survivor following death after normal retirement, following death in the line of duty as a volunteer firefighter before retirement eligible, and \$400 following death after disability retirement. An additional amount of \$20 per month is available following death after normal retirement with extended service amount per year of service and following death after vested retirement with 10 to 20 years of service per year of service. Survivors may include spouse, child under 18 years of age, or dependent parent.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 4 – Volunteer Retirement Plan-Continued

This annuity shall cease if the surviving spouse or dependent parent remarries, and dissolution of a subsequent marriage does not reinstate the annuity. Whenever the pension board increases the retirement pension payable to volunteer firefighters, that increase will also be applied to the pension benefits of survivors of firefighters killed in the line of duty.

Funeral Benefits

A one-time funeral benefit is paid of \$1,600 in the event of a death of a member.

Contributions

The Entity contributes from proceeds of a property tax mill levy. The Plan is construed and enforced in accordance with Colorado Revised Statute Title 31, Article 30. Per CRS 31-30-1112, State contributions to any municipality or district must equal ninety percent of all amounts contributed by the municipality or district under section 31-30-1110 in the previous year, but, notwithstanding any other provision of this part 11, the state contribution shall not exceed one-half mill on the previous net valuation for assessment of the municipality or district assuming one hundred percent collection. For 2025, the Entity contributed \$80,292, and the state's matching contribution was \$0.

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

On December 31, 2024, the Entity reported a net pension liability/ (asset) of \$(954,564). The net pension liability/ (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of January 1, 2025. The total pension liability as of December 31, 2024, is based upon the January 1, 2025, actuarial valuation.

For the year ended December 31, 2025, the District recognized pension expense of \$157,770. On December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 55,559
Net difference between projected and actual earnings on pension plan investments	160,368	126,414
Change in Assumptions	2,652	-
Contributions subsequent to the measurement date	80,292	-
Total	<u>\$ 243,312</u>	<u>\$ 181,973</u>

\$243,312 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2026	\$ (12,045)
2027	37,424
2028	(30,979)
2029	(13,353)
2030	-
Thereafter	-
Total	<u>\$ (18,953)</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 4 – Volunteer Retirement Plan-Continued

Actuarial Assumptions

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

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

Long-term Expected Return of Plan Assets

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 4 – Volunteer Retirement Plan-Continued
Actuarial Assumptions-continued

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Liquidity	4.00%	4.20%
Fixed Income-Rates	7.00%	5.00%
Fixed Income-Credit	7.00%	6.50%
Diversifiers	9.00%	5.70%
Long Short	6.00%	6.20%
Global Public Equity	33.00%	7.00%
Private Markets	<u>34.00%</u>	8.80%
Total	100.00%	

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

Discount Rate

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/ (asset), calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	<u>\$(733,437)</u>	<u>\$(954,564)</u>	<u>\$(1,136,770)</u>

Note 5 – Changes in Capital Assets

	Balance 12/31/2024	Additions	Reclass Deletions	Balance 12/31/2025
Buildings	\$ 1,112,236	\$ -	\$ -	\$ 1,112,236
Radio system	180,203	-	-	180,203
Fire Vehicles & Equipment	2,652,458	-	-	2,652,458
Medical Vehicles & Equipment	966,685	-	-	966,685
Station Equipment	375,286	210,246	-	585,532
Total Fixed Assets	<u>5,286,868</u>	<u>210,246</u>	<u>-</u>	<u>5,497,114</u>
Accumulated Depreciation:				
Buildings	(599,271)	(33,395)	-	(632,666)
Radio system	(177,536)	(2,186)	-	(179,722)
Fire Vehicles & Equipment	(2,182,465)	(112,153)	-	(2,294,618)
Medical Vehicles & Equipment	(862,335)	(54,534)	-	(916,869)
Station Equipment	<u>(354,057)</u>	<u>(21,580)</u>	<u>-</u>	<u>(375,637)</u>
Total Accumulated Depreciation	<u>(4,175,664)</u>	<u>(223,848)</u>	<u>-</u>	<u>(4,399,512)</u>
Construction in Progress	11,900	50,005	(11,900)	50,005
Land	175,395	-	-	175,395
Net Fixed Assets	<u>\$ 1,298,499</u>	<u>\$ 36,403</u>	<u>\$ (11,900)</u>	<u>\$ 1,323,002</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 6 – Fund Balance Classification Policies and Procedures

With the implementation of GASB 54, Fund Balance Classification, the fund balance is broken into five classifications. (1) Non-spendable – not in spendable form, (2) Restricted-fund constrained by external parties, (3) Committed – constraints on use of funds imposed by the highest level of decision-making authority, in the Districts case that is the Board of Directors. The funds must be established, modified, or rescinded by use of resolution of the Board. (4) Assigned – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the Districts case that is the Fire Chief and (5) Unassigned – which are funds available for any purpose. The District does have Committed, Restricted, and Non-spendable fund classification in 2025.

It is the District's policy to spend restricted funds first then unrestricted funds for the purpose for which both funds are available and committed and assigned funds are spent when expenditure are incurred for purposes for which amount in any of those unrestricted fund balance classification could be used.

The District does have fund classification as follows:

- Restricted which is dictated by Colorado State Law
- Non-spendable, which is its prepaid expenses,
- Committed, which are fund designated by the board of directors for a specific purpose.
- Unassigned

Note 7 – Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit more than federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

	2023	
Cash & Investments consisted of the following:		
Petty Cash - Uninsured	\$ 600	
Checking & Money Markets:		
Insured	141,161	
Collateralized by PDPA	-	
Total	141,161	
Total Cash & Cash Equivalents	141,761	
Investments CD's:(Measured at amortized cost)		
Insured	958,294	Level 1
Total Deposits & Investments	\$ 1,100,055	

Colorado Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligation 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' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts.

The Districts investments on December 31, 2025, are categorized above to give an indication of the level of risk assumed by the District at year-end.

The District considers cash in the bank, cash on hand, and investment with original maturities of three months or less as cash and cash equivalents.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

Note 7 – Deposits and Investments-continued

The District Categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.

Level 3: Unobservable inputs for an asset or liability.

Note 8 - Tax, Spending, and Debt Limitation

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

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue more than the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

The District believes it is in compliance with this amendment.

REQUIRED SUPPLEMENTAL INFORMATION

PLATEAU VALLEY FIRE PROTECTION DISTRICT
Required Supplementary Information Pensions
December 31, 2025

REQUIRED SUPPLEMENTARY INFORMATION

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

	2025	2024
Department's proportion of the net pension liability/(asset)	.0405%	.0338%
Department's proportionate share of the net pension liability/(asset)	\$(0)	\$(0)
Department's covered payroll	\$ 420,562	\$ 517,521
Department's proportionate share of the net pension liability/(asset) as a percentage of is covered payroll	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	100.0%

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

	2025	2024
Contractually required contribution	\$ 44,159	\$ 31,547
Contributions in relation to the contractually required contribution	\$ 44,159	\$ 31,597
Contribution deficiency (excess)	\$ (-)	\$ (50)
Department's covered payroll	\$ 420,562	\$ 517,521
Contributions as a percentage of covered payroll	10.5%	10.0%

**Notes to the Required Supplementary Information
December 31, 2025**

Changes in plan provisions. The plan provisions have not changed since the prior valuation.

Benefit Adjustments. Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS MULTIYEAR

Measurement period ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 19,661	\$ 19,661	\$ 16,384	\$ 16,384	\$ 21,279	\$ 21,279	\$ 26,925	\$ 26,925	\$ 23,357	\$ 23,357
Interest on the Total Pension Liability	114,501	113,498	116,592	115,119	109,572	107,307	120,455	115,067	80,043	76,613
Benefit Changes	238,113	-	-	-	-	-	-	-	321,384	-
Difference between Expected & Actual Experience	(56,759)	-	(81,125)	-	61,261	-	(217,652)	-	69,957	-
Assumption Changes	-	-	13,509	-	-	-	76,147	-	36,691	-
Benefit Payments	(126,000)	(111,913)	(110,460)	(110,460)	(110,460)	(82,460)	(70,140)	(70,140)	(62,393)	(46,384)
Net Change in Total Pension Liability	189,516	21,246	(45,100)	21,043	81,652	46,126	(64,265)	71,852	469,039	53,586
Total Pension Liability - Beginning	1,687,992	1,666,746	1,711,846	1,690,803	1,609,151	1,563,025	1,627,290	1,555,438	1,086,399	1,032,813
Total Pension Liability - Ending (a)	1,877,508	1,687,992	1,666,746	1,711,846	1,690,803	1,609,151	1,563,025	1,627,290	1,555,438	1,086,399
Plan Fiduciary Net Position										
Employer Contributions	\$ 101,940	\$ 97,879	\$ 64,480	\$ 76,707	\$ 109,744	\$ 65,372	\$ 28,901	\$ 52,357	\$ 74,523	\$ 69,376
Pension Plan Net Investment Income	248,757	229,313	(215,176)	345,742	268,978	264,795	605	245,286	85,365	29,465
Benefit Payments	(126,000)	(111,913)	(110,460)	(110,460)	(110,460)	(82,460)	(70,140)	(70,140)	(62,393)	(46,384)
Pension Plan Administrative Expense	(8,641)	(10,767)	(6,831)	(6,793)	(5,132)	(7,533)	(7,314)	(6,927)	(2,805)	(4,687)
State of Colorado Discretionary Payment	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	216,056	204,512	(267,987)	305,196	263,130	240,174	(47,948)	220,576	94,690	47,770
Plan Fiduciary Net Position - Beginning	2,616,016	2,411,504	2,679,491	2,374,295	2,111,165	1,870,991	1,918,939	1,698,363	1,603,673	1,555,903
Plan Fiduciary Net Position - Ending (b)	\$ 2,832,072	\$ 2,616,016	\$ 2,411,504	\$ 2,679,491	\$ 2,374,295	\$ 2,111,165	\$ 1,870,991	\$ 1,918,939	\$ 1,698,363	\$ 1,603,673
Net Position Liability/(Asset) - Ending (a) - (b)	\$ (954,564)	\$ (928,024)	\$ (744,758)	\$ (967,645)	\$ (683,492)	\$ (502,014)	\$ (307,966)	\$ (291,649)	\$ (142,925)	\$ (517,274)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	150.84%	154.98%	144.68%	156.53%	140.42%	131.20%	119.70%	117.92%	109.19%	147.61%

PLATEAU VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS MULTIYEAR
LAST 10 FISCAL YEARS

<u>FY ENDING DECEMBER 31,</u> (a)	<u>Actuarially Determined Contribution</u> (b)	<u>Actual Contribution*</u> (c)	<u>Contribution Deficiency (Excess)</u> (d) = (b) - (c)	<u>Covered Payroll</u> (e)	<u>Actual Contribution as a % of Covered Payroll</u> (f)
2015	\$ -	\$ 69,376	\$ (69,376)	N/A	N/A
2016	\$ -	\$ 74,523	\$ (74,523)	N/A	N/A
2017	\$ -	\$ 52,357	\$ (52,357)	N/A	N/A
2018	\$ 5,136	\$ 28,901	\$ (23,765)	N/A	N/A
2019	\$ 5,136	\$ 65,372	\$ (60,236)	N/A	N/A
2020	\$ -	\$ 109,744	\$ (109,744)	N/A	N/A
2021	\$ -	\$ 76,707	\$ (76,707)	N/A	N/A
2022	\$ -	\$ 64,480	\$ (64,480)	N/A	N/A
2023	\$ -	\$ 97,879	\$ (97,879)	N/A	N/A
2024	\$ -	\$ 101,940	\$ (101,940)	N/A	N/A

*Includes both Employer & State of Colorado Discretionary Payment

Plateau Valley Fire Protection District
Statement of Revenues, Expenditures, and Change in Fund Balance
Actual and Budget
For the Year Ended December 31, 2025

	General Fund		
	Budget Original & Final	Actual	Variance Favorable (Unfavorable)
Revenue:			
General property taxes	\$ 903,114	\$ 901,736	\$ (1,378)
Specific ownership tax	97,900	103,700	5,800
Ambulance	385,000	319,766	(65,234)
Interest income	60,000	49,160	(10,840)
Grants/Miscellaneous	-	377,990	377,990
Total Revenues	<u>1,446,014</u>	<u>1,752,352</u>	<u>306,338</u>
Expenditures:			
Administrative:			
Salaries	930,000	740,196	189,804
Payroll taxes & benefits	80,439	174,540	(94,101)
Insurance	233,775	240,818	(7,043)
Office expense	46,100	24,358	21,742
Accounting & legal	66,300	74,748	(8,448)
Dues & subscriptions	5,200	4,275	925
Treasurers fee	16,983	16,964	19
Directors fee	12,800	12,285	515
IT & maintenance expense	34,125	59,572	(25,447)
Human resource expense	1,750	2,755	(1,005)
Bad Debt expense	75,000	101,073	(26,073)
Total Administrative Expenditures	<u>1,502,472</u>	<u>1,451,584</u>	<u>50,888</u>
Operating Expenditures:			
Chemicals	1,100	249	851
Communications	15,000	15,345	(345)
EMS Supplies/drugs	20,050	13,585	6,465
EMS Billing Service	15,750	24,933	(9,183)
Fuel	25,300	18,057	7,243
Motor vehicle repairs & maintenance	36,700	31,165	5,535
Operating supplies	6,750	1,229	5,521
Fire prevention/Public education	13,000	2,066	10,934
Other equipment repairs & maintenance	8,550	5,152	3,398
Radio repairs & maintenance	2,500	2,122	378
Training expense	30,000	7,812	22,188
Travel expense	16,500	9,414	7,086
Uniforms	16,000	22,705	(6,705)
Postage & freight	550	107	443
Small tools & equipment	13,300	4,039	9,261
Building expenses	63,700	35,463	28,237
Capital outlays	511,000	258,554	252,446
Total Operating Expenditures	<u>795,750</u>	<u>451,997</u>	<u>343,753</u>
Total Expenditures	<u>2,298,222</u>	<u>1,903,581</u>	<u>394,641</u>
Revenue Over /(Under) Expenditures	<u>(852,208)</u>	<u>(151,229)</u>	<u>700,979</u>
Fund Balance - January 1,	415,916	1,469,759	1,053,843
Fund Balance - December 31,	<u>\$ (436,292)</u>	<u>\$ 1,318,530</u>	<u>\$ 1,754,822</u>