Poudre Valley Fire
PROTECTION DISTRICT

August 20, 2026

The Adams Group, LLC
6000 Greenwood Plaza Boulevard
Greenwood Village, CO 80111

This representation letter is provided in connection with your audit of the financial statements of Poudre Valley Fire Protection District (the "District"), which comprise the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information as of December 31, 2025, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 20, 2026, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 17, 2026, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility 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.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. We identified no uncorrected misstatements.
9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:
    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
    b) Additional information that you have requested from us for the purpose of the audit.
    c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
    d) Minutes of the meetings of District or summaries of actions of recent meetings for which minutes have not yet been prepared.
12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.
15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Poudre Fire Authority
Fort Collins Colorado

20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
24) We have no leases that need to be recorded in accordance with **GASB Statement (GASBS) No. 87** .
25) We have no subscription-based information technology arrangements that need to be recorded in accordance with **GASBS No. 96** .
26) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
28) As part of your audit, you assisted with preparation of the financial statements and disclosures and pension calculations. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and pension calculations.
29) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
30) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
32) The financial statements include all fiduciary activities required by **GASBS No. 84** , as amended.
33) The financial statements properly classify all funds and activities in accordance with **GASBS No. 34** , as amended.
34) All funds that meet the quantitative criteria in **GASBS Nos. 34** and **37** for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
36) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
37) Provisions for uncollectible receivables have been properly identified and recorded.
38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

Poudre Fire Authority
Fort Collins Colorado

39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
41) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
42) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
45) We understand TABOR (Section 20 to Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time that the District is in compliance with TABOR.
46) We have informed all banking and loan institutions that our deposits are subject to the respective Public Deposit Protection Act (PDPA) and have provided banking institutions with our assigned number.

Signature: Patti Taylor

Title: Finance Division Director

Signature: Nancy J. Salazar

Title: Board and Business Administrato

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Corrected Misstatements:

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To reclassify receivables related to impact fees to proper account.			
2-111	Fire Impact Fee Receivable	26,486.00	
2-250	Due to other funds		26,486.00
Total		**26,486.00**	**26,486.00**
Adjusting Journal Entries JE # 2			
To roll fund balance.			
1-320	Unrestricted Fund Balance	13,310.00	
1-530	Larimer County Treasurer Fees		13,310.00
Total		**13,310.00**	**13,310.00**
Adjusting Journal Entries JE # 4			
To true up fund balance categories			
1-300	Opening Balance Equity	614,834.00	
1-320	Unrestricted Fund Balance	501,359.00	
1-320	Unrestricted Fund Balance	375,000.00	
1-305.3	For Subsequest Years Exp		501,359.00
1-310_TAG	Restricted fund balance - TABOR		375,000.00
1-320	Unrestricted Fund Balance		614,834.00
Total		**1,491,193.00**	**1,491,193.00**
Adjusting Journal Entries JE # 6			
Audit adjustment to reduce property tax AR and Deferred Inflows to match the total property tax amount per the Larimer County Mill Levy Certification.			
1-230	Deferred Property Tax	1,927,806.00	
1-161	General Property Receivable Tax		1,927,806.00
Total		**1,927,806.00**	**1,927,806.00**
	Total Adjusting Journal Entries	**3,458,795.00**	**3,458,795.00**

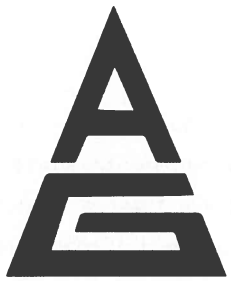
Poudre Fire Authority
Fort Collins Colorado

POUDRE VALLEY FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2025

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Poudre Valley Fire Protection District
Fort Collins, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Poudre Valley 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, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and GASB required pension schedules 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.

The Adams Group, LLC

Greenwood Village, Colorado
August 20, 2026

POUDRE VALLEY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

POUDRE VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

This section of the annual financial report offers readers of The Poudre Valley Fire Protection District (the "District") financial statements the District's discussion and analysis of its financial performance during the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information in the District's financial statements which immediately follow this section.

Background Information

The District was duly formed on April 14, 1950, with five elected Board members. The District entered into an Intergovernmental Agreement (IGA) with the City of Fort Collins (City) on December 22, 1981, to form the Poudre Fire Authority (PFA). The rationale behind forming the PFA was that the District and the City desired to consolidate resources to provide fire and rescue services within the collective territorial limits.

The District Board consists of five members elected at-large with two of those members appointed to the PFA Board to represent the District. The PFA Board consists of the two District Board members and two City Council members. These four Board members appoint the fifth Board member to the PFA Board of Directors. The District Board does not provide operational or day-to-day direction to PFA, rather its mission is to provide life and property protection for residents, businesses, and visitors of the District through a shared governance and response model.

The IGA was Amended and Restated on July 15, 2014, to include a Revenue Allocation Formula (RAF) and Support Services provided to PFA by the City. The City funded PFA through a combination of sales and use tax and property tax. The sales and use tax portion were a percentage of the City's base sales and use tax collection illustrated in the RAF. The property tax portion equaled 67.5% of all the City's property tax collections. The District's contribution to PFA included its property tax and specific ownership tax collections less administrative costs.

During 2023, City and PFA staff began discussions to update the IGA, completing an analysis of the support services (and associated costs) provided by each party and the evaluation of the RAF in 2024. The intent of the IGA update was to simplify and clarify obligations of the City and PFA, provide more direct oversight and responsibilities to City and PFA staff, memorialize and adjust for changes to the operating and legislative environments, and provide a timeline and framework for future reconciliations and reviews.

The Second Amended and Restated IGA, including the RAF (Exhibit A) and Support Services provided (Exhibit B), were approved by City Council on September 17, 2024, and the District Board on September 24, 2024, effective January 1, 2025.

Financial Highlights

The District's financial status reflected a decrease in net position during the 2025 fiscal year. The decrease was $514,784, a 29.6% decrease when compared to beginning net position. The ending net position as of December 31, 2025, was $1,219,983.

Property tax, tax increment financing, and specific ownership tax revenues accounted for $12,343,486 or 98.7% of all revenues. The District had $151,890 from investment earnings and $9,755 from other revenues.

During the year ended December 31, 2025 the District's total governmental activities expenditures were $13,019,915, of which $12,741,041 is related to fire protection services.

During the year ended December 31, 2025, the District's general fund balance sheet reported an ending fund balance of $1,242,474, a decrease of $499,091. The decrease was a result of decrease property tax collections compared to the previous fiscal year.

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 financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the 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 related cash flows. Thus, revenues and expenses are reported

in this statement for some items that will only result in cash flows in future fiscal periods, such as, uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

The District's primary governmental activities include fire protection and emergency medical services. The basic government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may help evaluate 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 helpful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has one governmental fund, a general fund.

Custodial fund. The custodial fund statements provide information about the financial relationships in which the District collects and retains capital impact fees until requested by the member governments and the expenditures are approved by the District's Board of Directors.

The District adopts an annual appropriated budget for all funds, as required by State Statutes. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the financial statements. The notes provide additional information essential to a comprehensive understanding of the data presented in the government-wide and fund financial statements.

As noted earlier, net position may serve over time as a valuable indication of a government's financial position. The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $1,219,983 at the close of the most recent fiscal year, representing a decrease in total net position for the year amounting to $514,784.

District's Statement of Net Position

	Governmental Activities	
	2025	2024
Assets		
Cash and cash equivalents	$ 1,193,299	$ 1,678,837
Cash with county treasurer	54,903	61,579
Property tax receivable	11,194,148	11,675,640
Due from other governments	-	3,692
Total assets	12,442,350	13,419,748
Deferred outflows of resources		
Related to pension	12,178	13,327
Total deferred outflows of resources	12,178	13,327
Liabilities		
Accounts payable	2,476	349
Due to other governments	3,252	2,194
Net pension liability	31,755	14,206
Total liabilities	37,483	16,749
Deferred inflows of resources		
Deferred property taxes	11,194,148	11,675,640
Related to pension	2,914	5,919
Total deferred inflows of resources	11,197,062	11,681,559
Net position:		
Restricted	375,000	405,608
Unrestricted	844,983	1,329,159
Total net position	$ 1,219,983	$ 1,734,767

The changes in net position below show the governmental activities during the previous two fiscal years.

District's Change in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
General revenues:		
Property taxes	$ 10,047,590	$ 11,212,447
Property taxes - tax increment financing	1,571,403	1,478,604
Specific ownership taxes	724,493	727,133
Investment earnings	151,890	153,242
Other	9,755	9,020
Total revenues	12,505,131	13,580,446
Expenses:		
Current:		
Contributions to Poudre Fire Authority	12,741,041	12,409,276
Collection fees	199,623	203,732
District management	7,464	8,450
Travel/conferences	6,384	6,704
Other	221	17,708
Professional fees	43,736	42,166
Net pension expense	21,446	1,705
Total expenses	13,019,915	12,689,741
Change in net position	(514,784)	890,705
Net position - beginning	1,734,767	844,062
Net position - ending	$ 1,219,983	$ 1,734,767

Property tax, tax increment financing and specific ownership taxes account for a substantial portion of the District's revenue, contributing about 98.7% of total revenues as compared to 98.8% of revenues in 2024. During 2025 the District received approximately 1.2% from investment earnings; in comparison to approximately 1.1% in 2024.

During the year ended December 31, 2025 total expenses on the statement of activities increased $330,174 compared to 2024 due to increased payments to Poudre Valley Fire Authority under the existing Intergovernmental Agreement.

Financial Analysis of the General Fund

The General Fund was established and is continually funded to provide for the daily activities, expenditures, and operating costs of the District. This fund supports various functional areas within the organization, including administration, firefighting, and fire prevention. The general fund also provides for other items, such as insurance, fees, and other operating costs that the District incurs. The primary funding source for the general fund is taxation of real property. Other sources of income for the general fund include interest income and miscellaneous revenue. As of December 31, 2025, the District's general fund reported an ending fund balance of $1,242,474 a decrease of $499,091 from the prior year. The decrease in the current year is a result of decreased property tax collections compared to the prior year. There is $352,804 of unassigned fund balance, which is available for spending at the District's discretion.

Financial Analysis of the Custodial Fund

During the year ended December 31, 2025, the custodial fund reported an ending balance of $1,610,743, an increase of $598,011. The increase was driven by the collection of impact fees and no distribution of those fees to other governments.

General Fund Budgetary Highlights

A budget to actual statement is provided for the general fund in the required supplementary section of the report. Budgeted taxes represent the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. There were positive revenue variances totaling $298,316 due to more specific ownership tax collections and investment earnings compared to budget. Expenditures for the District were under budget by a total of $225,312, primarily due to less actual administrative costs in 2025 than initially budgeted. The District must maintain a 3% emergency contingency restricted reserve account as a part of the TABOR Amendment (Taxpayer Bill of Rights). On December 31, 2025, the District's TABOR reserve amounted to $375,000.

Contacting the District's Financial Management Team

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Administrator at 970-214-7431.

BASIC FINANCIAL STATEMENTS

POUDRE VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash and investments	$ 1,193,299
Cash with county treasurer	54,903
Property tax receivable	11,194,148
Total Assets	12,442,350
Deferred Outflows of Resources	
Related to pension	12,178
Total Deferred Outflows of Resources	12,178
Liabilities	
Accounts payable	2,476
Due to other governments	3,252
Net pension liability	31,755
Total Liabilities	37,483
Deferred Inflows of Resources	
Deferred property taxes	11,194,148
Related to pension	2,914
Total Deferred Inflows of Resources	11,197,062
Net Position	
Restricted	
Emergencies	375,000
Unrestricted	844,983
Total Net Position	$ 1,219,983

See the accompanying Notes to Financial Statements.

POUDRE VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Public safety	$ 12,741,041	$ -	$ -	$ (12,741,041)
General government	$ 278,874	$ -	$ -	$ (278,874)
Total Governmental Activities	$ 13,019,915	$ -	$ -	$ (13,019,915)

GENERAL REVENUES:	
Property taxes	10,047,590
Property taxes - tax increment financing	1,571,403
Specific ownership taxes	724,493
Investment earnings	151,890
Other	9,755
Total General Revenues	12,505,131
Change in net position	(514,784)
Net position, beginning	1,734,767
Net position, ending	$ 1,219,983

See the accompanying Notes to Financial Statements.

POUDRE VALLEY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND – BALANCE SHEET
DECEMBER 31, 2025

	General Fund
Assets	
Cash and investments	$ 1,193,299
Cash with county treasurer	54,903
Property tax receivable	11,194,148
Total Assets	$ 12,442,350
Liabilities, deferred inflows of resources, and fund balances	
Liabilities	
Accounts payable	$ 2,476
Due to other governments	3,252
Total Liabilities	5,728
Deferred inflows of resources	
Deferred property taxes	11,194,148
Total Deferred Inflows of Resources	11,194,148
Fund balances	
Restricted	375,000
Assigned	514,670
Unassigned	352,804
Total Fund Balances	1,242,474
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 12,442,350

See the accompanying Notes to Financial Statements.

POUDRE VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total fund balances, governmental funds	$	1,242,474
Amounts reported for governmental activities in the statement of net position are different because:		
Certain assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		
Net pension liability		(31,755)
Deferred outflows of resources used in governmental activities are not financial resources and therefore, are not reported in governmental funds.		
Related to pension		12,178
Deferred inflows of resources used in governmental activities are not financial resources and therefore, are not reported in governmental funds.		
Related to pension		(2,914)
Total net position of governmental activities	$	1,219,983

See the accompanying Notes to Financial Statements.

POUDRE VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2025

	Total General Fund
Revenues	
Property taxes	$ 10,047,590
Property taxes - tax increment financing	1,571,403
Specific ownership taxes	724,493
Investment earnings	151,890
Other	9,755
Total revenues	12,505,131
Expenditures	
Current:	
Contributions to Poudre Fire Authority	12,741,041
Collection fees	199,623
District management	7,464
Travel/conferences	6,384
Contributions to volunteer pension plan	5,753
Other	221
Professional fees	43,736
Total expenditures	13,004,222
Net change in fund balance	(499,091)
Fund balances - beginning	1,741,565
Fund balances - ending	$ 1,242,474

See the accompanying Notes to Financial Statements.

POUDRE VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - total governmental funds:	$	(499,091)
Amounts reported for governmental activities in the statement of activities are different because:		
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental fund.		
Net pension expense		(15,693)
Change in net position of governmental activities	$	(514,784)

See the accompanying Notes to Financial Statements.

POUDRE VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND
DECEMBER 31, 2025

	Custodial Fund
Assets	
Cash and investments	$ 1,581,005
Due from general fund	3,252
Due from other governments	26,486
Total Assets	1,610,743
Net Position	
Restricted for individuals, organizations, and other governments	$ 1,610,743

See the accompanying Notes to Financial Statements.

POUDRE VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUND
YEAR ENDED DECEMBER 31, 2025

	Custodial Fund
Additions	
Impact fee collections for another government	$ 566,681
Investment earnings	50,458
Total revenues	617,139
Deductions	
General government:	
Collection fees	18,948
Other	180
Total deductions	19,128
Net change in fiducary net position	598,011
Net position - beginning	1,012,732
Net position - ending	$ 1,610,743

See the accompanying Notes to Financial Statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Poudre Valley Fire Protection District (District) is an independent local governmental unit organized under the laws of the State of Colorado and provides fire protection rescue services within the boundaries of the District in both Larimer and Weld Counties, Colorado. During 1981 the District and the City of Fort Collins, Colorado (the City) formed the Poudre Fire Authority (the Authority) as a local government to facilitate the provision of services. The Authority appoints its own management and approves its own budget and is considered a joint venture. A five-member Board of Directors governs the District. The District's Board of Directors appoints two members, two members are appointed by the City of Fort Collins' City Council, and the final member is appointed by the other four members. During 2024, the District entered into a Second Amended and Restated IGA (IGA) with the City of Fort Collins. This IGA is effective January 1, 2025.

The District also provides retirement benefits to members of the Volunteer Pension Plan. The District has no employees. Authority staff perform all administrative and management duties. The District also collects capital impact fees for the Authority. Those amounts are reported in a fiduciary fund.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the government-type activities of the District. Governmental activities are normally supported by taxes and charges for services.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)
The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items are not included in the amount of program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property tax and charges for services. Expenditures are recorded when the liability is incurred or when the long-term obligation is paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary funds account for the assets held by the District in a trustee capacity or as an agent on behalf of others. The District has one Fiduciary Fund, the Custodial Fund which collects and retains capital impact fees until requested by the member governments.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. For the year ended December 31, 2025, there were no budget amendments.

Cash and Investments

The District considered cash and cash equivalents to include cash on hand, demand deposits and money market funds. All investments are reported at fair value or amortized cost.

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year.

The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/ expenditure) until then. Deferred outflows of resources include certain amounts related to the District's volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. Deferred inflows of resources also include certain amounts related to the District's volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

The District's governmental fund balances may consist of three classifications based on the relative strength of the spending constraints:

Restricted fund balance – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District had $375,000 restricted at December 31, 2025 related to emergency reserves and debt service.

Assigned fund balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. The District has $514,670 reported as assigned fund balance for subsequent year expenditures as of December 31, 2025.

Unassigned fund balance – Amounts that are available for any purpose.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

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

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District has net position consisting of two components – restricted and unrestricted.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as Federal or State laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. The District is required to establish emergency reserves in the amount of $375,000 as of December 31, 2025.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District. At December 31, 2025, the District had unrestricted net position of $844,983.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The following is the reconciliation between the cash and investments recorded in the financial statements and the amounts reported in this footnote:

	Governmental Activities	Custodial Fund	Total
Cash deposits	$ 883,858	$ 42,484	$ 926,342
Investments	364,344	1,538,521	1,902,865
Total governmental funds	$ 1,248,202	$ 1,581,005	$ 2,829,207

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of Federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2025, the District's governmental funds cash deposits had a bank and carrying balance of $926,342, which were insured by FDIC or collateralized in accordance with PDPA.

Investments

The District's governmental funds have not adopted a formal investment policy; however, the District follows state statutes regarding investments, which include:

- Obligations of the United States, certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District has not adopted a formal interest rate risk policy; however, the District follows state statutes regarding investments.

ColoTrust

As of December 31, 2025, the District had invested $364,344 in the Colorado Local Government Liquid Asset Trust (ColoTrust) (the Trust), an investment vehicle established for local government entities and enforces all State statutes governing the Trust. The entire balance of the District's investments with the Trust are held in the ColoTrust PLUS+ portfolio. ColoTrust PLUS+ operates similar to a money market fund and each share is equal in value to $1.00 and offers daily liquidity. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRE 24-75-601. The District's investment in ColoTrust is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. As of December 31, 2025, the District had invested $1,538,521 in CSAFE. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S. CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

CSAFE (continued)

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 3 – VOLUNTEERS' PENSION FUND

Plan Description

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan (the Plan). The Plan is administered by five-member Board of Trustees. The Plan provides retirement benefits for members and beneficiaries according to the Plan provisions as enacted and governed by the Board of Trustees. The Plan is included as a pension trust fund of the District and does not issue separate statements.

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefit for a member is $300 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive $15 per month for every year of service. Survivor's death benefits range from a $7.50 to $225 monthly benefit payment depending on different variables. Funeral benefit to the family members is a one-time lump sum payment of $100. Short term disability for line of duty injury provides monthly payments of $225 for not more than 1 year. Long term disability for line of duty injury provides lifetime monthly payments of $450.

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2023. Contributions into the pension fund are derived from two sources; contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2025, the District's contributions were $5,753.

NOTE 3 – VOLUNTEERS' PENSION FUND (CONTINUED)

Pension Liability, Expense, Deferred Outflows, and Deferred Inflows

At December 31, 2025, the District reported a net pension liability of $31,755. The net pension liability was measured at December 31, 2024 and was determined by an actuarial valuation as of January 1, 2025. Standard update procedures were used to roll forward the total pension liability to December 31, 2025.

For the year ended December 31, 2025, the District recognized pension expense of $21,446. At 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
Net Difference between Projected and Actual Earnings on Pension Plan Investments	$ 6,425	$ 2,914
Contributions subsequent to measurement date	5,753	-
Total	$ 12,178	$ 2,914

$5,753 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, 2026. 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,	Amount
2026	$ 1,178
2027	2,708
2028	(418)
2029	43
Total	$ 3,511

NOTE 3 – VOLUNTEERS' PENSION FUND (CONTINUED)

Actuarial Assumptions

The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	13 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.

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). Being the plan's fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 4.50% was used as the discount rate. For this purpose of the valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting discount rate is 4.50%.

NOTE 3 – VOLUNTEERS' PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

Based on plan maturity metrics, the assets of this plan have been moved to FPPA's short-term pool. Effective with the valuation as of January 1, 2025, the long-term expected rate of return was changed to 4.50% to reflect this change.

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:

	Target Allocation	Long-Term Expected Nominal Rate of Return
Liquidity	30.00%	4.20%
Fixed Income - Rates	45.00%	5.00%
Fixed Income - Credit	15.00%	6.50%
Diversifiers	0.00%	5.70%
Long Short	0.00%	6.20%
Global Equity	10.00%	7.00%
Private Markets	0.00%	8.80%
Total	100.00%	

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2024	$ 100,369	$ 86,163	$ 14,206
Changes for the year:			
Service Cost	-	-	-
Interest	6,601	-	6,601
Benefit changes	-	-	-
Net investment income	-	5,518	(5,518)
Contributions - employer	-	3,948	(3,948)
Benefit payments including refunds of employee contributions	(12,345)	(12,345)	-
Difference between expected and actual experience of Total Pension Liability	1,797	-	1,797
Changes in assumptions	18,347	-	18,347
Administrative expense	-	(2,075)	2,075
State of Colorado supplemental discretionary payment	-	1,805	(1,805)
Net changes	14,400	(3,149)	17,549
Balance, December 31, 2025	$ 114,769	$ 83,014	$ 31,755

NOTE 3 – VOLUNTEERS' PENSION FUND (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension asset calculated using the discount rate of 4.50 percent, as well as the net pension asset would be if it were calculated using a 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 (Asset)	$ 41,054	$ 31,755	$ 225,871

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 http://www.fppaco.org.

NOTE 4 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for all risks of loss. The District did not have any claim settlements in excess of coverage for each of the past three years.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Tax, Spending, and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

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 in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

NOTE 5 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

For the year ended December 31, 2025 the District has restricted $375,000 for this purpose.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 6 – RELATED PARTY TRANSACTIONS

The District and the City of Fort Collins each appoint two members to the Authority's five-person Board of Directors. The fifth member is appointed by the Authority's board.

During the year ended December 31, 2025, the District contributed $12,741,041 to the Authority. For the fiscal year which ends on December 31, 2025, the District budgeted total contributions to the Authority of $12,741,041.

NOTE 7 – INTERGOVERNMENTAL AGREEMENT

On July 20, 2005, the District entered into an intergovernmental agreement (IGA) with the Town of Timnath, (Town), whereby the Town designated the Fire District as the fire service provider for the Town. The Town agreed to require landowners who seek annexation of their lands into the Town to concurrently petition to be included in the Fire District. The District agreed to construct a new fire station within the Town. Prior to 2015, the TDA held all property tax TIF attributable to the Fire District in a restricted account in anticipation of an amendment of an IGA between the TDA, the Town, the Fire District, and the Poudre Fire Authority whereby the Town would remit these funds to the Fire District to help fund the construction of the new fire station. On November 18, 2015, the IGA was amended to, among other matters, clarify the sharing of property tax TIF revenues. The TDA now remits funds to the Fire District to pay capital and operating expenses associated with the fire station.

REQUIRED SUPPLEMENTARY INFORMATION

POUDRE VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 10,080,598	$ 10,047,590	$ (33,008)
Property taxes - tax increment financing	1,595,042	1,571,403	(23,639)
Specific ownership taxes	500,000	724,493	224,493
Investment earnings	25,000	151,890	126,890
Other	6,175	9,755	3,580
Total revenues	12,206,815	12,505,131	298,316
Expenditures			
Current:			
Contributions to Poudre Fire Authority	12,741,041	12,741,041	-
Collection fees	232,693	199,623	33,070
District management	250,000	7,464	242,536
Travel/conferences	-	6,384	(6,384)
Contributions to volunteer pension plan	5,800	5,753	47
Other	-	221	(221)
Professional fees	-	43,736	(43,736)
Total expenditures	13,229,534	13,004,222	225,312
Net change in fund balance	$ (1,022,719)	(499,091)	$ 73,004
Fund balances - beginning		1,741,565	
Fund balances - ending		$ 1,242,474	

See accompanying Independent Auditors' Report.

POUDRE VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS – VOLUNTEER PENSION PLAN
LAST TEN FISCAL YEARS

Financial reporting period ended December 31, Measurement period ending December 31,	2025 2024	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015
Total Pension Liability										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ 630	630	629	629
Interest on the total pension liability	6,601	6,990	7,851	8,244	8,246	8,691	8,977	9,240	9,376	9,478
Benefit changes	-	-	-	-	-	-	-	-	-	-
Differences between actual and expected experience	1,797	-	(6,559)	-	6,468	-	6,495	-	(6,449)	-
Changes in assumptions	18,347	-	(593)	-	-	-	3,723	-	6,210	-
Benefit payments	(12,345)	(12,745)	(13,245)	(14,445)	(15,045)	(15,045)	(15,045)	(11,745)	(11,445)	(11,477)
Net change in total pension liability	14,400	(5,755)	(12,546)	(6,201)	(331)	(6,354)	4,780	(1,875)	(1,679)	(1,370)
Total pension liability - beginning	100,369	106,124	118,670	124,871	125,202	131,556	126,776	128,651	130,330	131,700
Total pension liability - ending	$ 114,769	$ 100,369	$ 106,124	$ 118,670	$ 124,871	$ 125,202	$ 131,556	$ 126,776	$ 128,651	$ 130,330
Plan Fiduciary Net Position										
Contributions - employer	$ 3,948	$ 2,005	$ 3,229	$ 1,869	$ 2,258	$ 1,826	$ 2,305	$ 4,035	$ 4,035	$ 7,505
Pension plan net investment income	5,518	8,155	(8,459)	14,556	12,053	14,234	177	15,012	5,286	1,910
Benefit payments including refunds of employee contributions	(12,345)	(12,745)	(13,245)	(14,445)	(15,045)	(15,045)	(15,045)	(11,745)	(11,445)	(11,477)
Pension plan administrative expense	(2,075)	(2,992)	(1,818)	(2,683)	(1,741)	(2,430)	(1,722)	(2,142)	(435)	(1,296)
State of Colorado discretionary payment	1,805	2,906	1,682	3,675	-	2,075	3,632	3,632	6,755	580
Net change in plan fiduciary net position	(3,149)	(2,671)	(18,611)	2,972	(2,475)	660	(10,653)	8,792	4,196	(2,778)
Plan Fiduciary net position - beginning	86,163	88,834	107,445	104,473	106,948	106,288	116,941	108,149	103,953	106,731
Plan Fiduciary net position - ending	$ 83,014	$ 86,163	$ 88,834	$ 107,445	$ 104,473	$ 106,948	$ 106,288	$ 116,941	$ 108,149	$ 103,953
Net pension liability (asset) - ending	$ 31,755	$ 14,206	$ 17,290	$ 11,225	$ 20,398	$ 18,254	$ 25,268	$ 9,835	$ 20,502	$ 26,377
Plan fiduciary net position as a percentage of total pension liability	72.33%	85.85%	83.71%	90.54%	83.66%	85.42%	80.79%	92.24%	84.06%	79.76%
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

See accompanying Independent Auditors' Report.

POUDRE VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
VOLUNTEER PENSION PLAN
LAST TEN FISCAL YEARS

Fiscal year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions	$ 3,603	$ 4,911	$ 4,911	$ 3,901	$ 2,305	$ 2,305	$ 2,305	$ 2,539	$ 2,539	$ 7,335
Contributions in Relation to the Statutorily Required Contribution	5,753	4,911	4,911	5,544	3,901	5,411	5,937	7,667	10,790	8,085
Contribution Deficiency (Excess)	$ (2,150)	$ -	$ -	$ (1,643)	$ (1,596)	$ (3,106)	$ (3,632)	$ (5,128)	$ (8,251)	$ (750)

See accompanying Independent Auditors' Report.