Glenwood Springs Rural Fire Protection District
Glenwood Springs, Colorado

Financial Statements
December 31, 2025

Glenwood Springs Rural Fire Protection District
Financial Report
December 31, 2025

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McMahan and Associates, L.L.C.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Glenwood Springs Rural Fire Protection District
Glenwood Springs, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Glenwood Springs Rural Fire Protection District (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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

District management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 one year after the date that the financial statements are issued.

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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, 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

U.S. GAAP requires that the Management's Discussion and Analysis in Section B 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 U.S. GAAS, 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.

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
September 20, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

GLENWOOD SPRINGS RURAL FIRE PROTECTION DISTRICT

Management's Discussion and Analysis
December 31, 2025

As management of the Glenwood Springs Rural Fire Protection District (the "District"), we offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

Financial statements: The financial statements are designed to provide readers with an overview of the District's finances, from both a short-term fund perspective and a long-term economic perspective.

The Balance Sheet/Statement of Net Position presents information on all the District's assets, liabilities (both short-term and long-term), and deferred inflows of resources with the difference of assets less liabilities and deferred inflows of resources reported as fund balance or net position. The Balance Sheet columns present the financial position focusing on short-term available resources and are reported on a modified accrual basis of accounting. The Statement of Net Position column presents the financial position focusing on long-term economic resources and is reported on a full accrual basis. 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 Revenues, Expenditures and Changes in Fund Balance/Statement of Activities shows how the government's fund balance and net position changed during the most recent fiscal year. Again, the Statement of Revenues, Expenditures and Changes in Fund Balance columns focus on short-term available resources and are reported on a modified accrual basis. The Statement of Activities column focuses on long-term economic resources and is reported on a full accrual basis.

The District's financial statements can be found in section C of this report.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in section D of this report.

Financial Analysis of the District

Glenwood Springs Rural Fire Protection District's Net Position

	2025	2024
Assets:		
Current and other assets	$ 1,662,098	$ 1,495,706
Capital assets	260,697	294,671
Total Assets	1,922,795	1,790,377
Liabilities:		
Other liabilities	433	548
Total Liabilities	433	548
Deferred Inflows of Resources:		
Property tax revenues	1,615,296	1,448,621
Net Position:		
Net investment in capital assets	260,697	294,671
Restricted for emergencies	46,372	48,995
Unrestricted	(3)	(2,458)
Total Net Position	$ 307,066	$ 341,208

At the end of the 2025 fiscal year, the District is able to report positive net position in two of the three categories. Overall, the District's net position decreased $34,142 from the prior year due, primarily due to the 2025 depreciation expense of $33,974.

Glenwood Springs Rural Fire Protection District's Change in Net Position

	2025	2024
Revenues:		
General revenues:		
Property taxes	$ 1,445,408	$ 1,550,171
Specific ownership taxes	98,383	80,319
Interest income	1,764	2,672
Miscellaneous	3	3
Total Revenues	1,545,558	1,633,165
Expenses:		
General government	1,579,700	1,667,630
Total Expenses	1,579,700	1,667,630
Change in Net Position	(34,142)	(34,465)
Net Position - Beginning of the Year	341,208	375,673
Net Position - End of the Year	$ 307,066	$ 341,208

Property taxes were the most significant source of income, accounting for 93.5% of total revenues. Specific ownership taxes of $98,383 were also significant sources of revenue for the District, accounting for 6.4% of total revenues. The decrease in property tax revenue from 2024 is due to the one-time backfill as a result of Senate Bill 22-238, which provided an additional $114,841 of property tax revenue in 2024.

Financial Analysis of the District (continued)

Fire services expenditures totaled $1,516,813 in 2025. Of this amount, $1,508,086 was paid to the City of Glenwood Springs (the "City"). The District contributes to the City's equipment replacement fund pursuant to the District and City's intergovernmental agreement. The District's contribution is made in exchange for the District's use of City fire equipment.

The District maintains one fund, the General Fund, which accounts for the operations of the District. The General Fund's ending fund balance decreased due to less property tax revenues collected than anticipated and savings in budgeted fire services expenditures. The General Fund's ending fund balance was $46,369.

Budget Variances in the General Fund: The District's expenditures were under budget during fiscal year 2025.

Capital Assets:

The District has title to Station #3 which has a cost of $1,019,222 and is being depreciated over an estimated useful life of 30 years. Additional information can be found in the Notes to the Financial Statements in Section D of this report.

Emergency services equipment expense represents payment to the City of Glenwood Springs for purchase of equipment which is owned by the City but available for use by the District.

Next Year's Budget and Rates:

The District's General Fund balance at the end of the 2025 fiscal year totaled $46,369. The District's 2026 budget anticipates an increase in fund balance in the amount of $1,251.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Glenwood Springs Rural Fire Protection District, 101 W. Eighth Street, Glenwood Springs, CO 81601.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Glenwood Springs Rural Fire Protection District
Balance Sheet/Statement of Net Position
December 31, 2025

	General Fund	Adjustments	Statement of Net Position
Assets:			
Cash and cash equivalents	35,644	-	35,644
Cash with County Treasurer	9,293	-	9,293
Property tax receivable	1,615,296	-	1,615,296
Prepaid items	1,865	-	1,865
Capital assets, net of accumulated depreciation	-	260,697	260,697
Total Assets	1,662,098	260,697	1,922,795
Liabilities:			
Accounts payable	433	-	433
Total Liabilities	433	-	433
Deferred Inflows of Resources:			
Property tax revenues	1,615,296	-	1,615,296
Fund Balances/Net Position:			
Fund Balance:			
Nonspendable	1,865	(1,865)	-
Restricted for emergencies	46,372	(46,372)	-
Unassigned (deficit)	(1,868)	1,868	-
Total Fund Balance	46,369	(46,369)	-
Total Liabilities, Deferred Inflows and Fund Balance	1,662,098		
Net Position:			
Net investment in capital assets		260,697	260,697
Restricted for emergencies		46,372	46,372
Unrestricted (deficit)		(3)	(3)
Total Net Position		307,066	307,066

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

Glenwood Springs Rural Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance /
Statement of Activities
For the Year Ended December 31, 2025

	General Fund	Adjustments	Statement of Activities
Revenues:			
General revenues:			
Property taxes	1,445,408	-	1,445,408
Specific ownership taxes	98,383	-	98,383
Interest income	1,764	-	1,764
Miscellaneous	3	-	3
Total Revenues	1,545,558	-	1,545,558
Expenditures/Expenses:			
Fire services	1,516,813	-	1,516,813
Treasurer's fees	28,913	-	28,913
Depreciation expense	-	33,974	33,974
Total Expenditures/Expenses	1,545,726	33,974	1,579,700
Change in Fund Balance/Net Position	(168)	(33,974)	(34,142)
Fund Balance/ Net Position:			
Beginning of the Year	46,537	294,671	341,208
End of the Year	46,369	260,697	307,066

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

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The Glenwood Springs Rural Fire Protection District (the "District") is a political subdivision incorporated under the laws of the State of Colorado. The function of the District is to provide fire protection and emergency medical services to the District and its inhabitants. The District's boundaries border the City of Glenwood Springs (the "City"). Therefore, in order to improve intergovernmental efficiencies, the District has signed an intergovernmental agreement to share capital and certain operating costs. This agreement is further explained in footnote V.B. – Intergovernmental Agreements.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The District is governed by an elected Board, which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. As required by GAAP, the financial statements of the reporting entity include those of the District. No additional separate governmental units, agencies, or non-profit corporations are included in the financial statements of the District since none were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, 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.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

1. Government-wide Financial Statements

In the Balance Sheet/Statement of Net Position, the Statement of Net Position column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as, long-term debt and obligations. The District's net position is reported in three parts—net investment in capital assets, restricted, and unrestricted net position. The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. The District reports the following governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (within 60 days of December 31) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but unavailable property taxes have been recorded as a receivable and as a deferred inflow of resources.

4. Capital Assets

Capital assets, which include buildings, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of $5,000 or more and an estimated useful life of at least 3 years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

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

Assets	Years
Buildings	30

5. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District does not have any items that qualify for reporting in this category.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, unavailable revenue from property taxes, reported in the Balance Sheet and on the Statement of Net Position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Fund Equity

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned fund balance is limited to negative residual fund balance. For further details on the various fund balance classifications, refer to Note IV.C.

E. Significant Accounting Policies

1. Use of Estimates

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

2. Credit Risk

Receivables in the District's funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

3. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital assets used in government activities are not financial resources and are, therefore, not reported in the funds. The adjustment is detailed as follows:

Capital assets	$1,019,222
Accumulated depreciation	($758,525)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not recorded as expenditures in governmental funds.

Depreciation expense	$33,974

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds is adopted on a basis consistent with GAAP.

(1) For the 2025 budget, prior to August 25, 2024, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2024 only once by a single notification to the District.

(2) On or before October 15, 2024, the District's management submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

(3) After a required publication of "Notice of Proposed Budget", the District adopted the proposed budget and an appropriating resolution which legally appropriated expenditures for the upcoming year.

(4) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.

(5) After adoption of the budget resolution, the District may make the following changes: (a) supplemental appropriations to the extent of revenues in excess of those estimated in the budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgets and Budgetary Accounting (continued)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (“TABOR”). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increases, a mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2025, year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of $46,372 which is the required reserve at December 31, 2025.

On November 8, 1994, the District’s electorate voted to allow the District to collect, retain, and expend all revenues generated. The remaining TABOR restrictions, which require voter approval for (1) new taxes or tax rate increases, and (2) new or additional debt, are still applicable.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the District's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. As of year-end, the carrying amounts of the District's demand deposits were $35,644.

At year end, the District had the following cash and investments and maturities:

			Maturities	
	Standard & Poor's Rating	Carrying Amounts	Less than one year	One to five years
Deposits:				
Checking	Not rated	$ 35,644	$ 35,644	$ -
Cash with County Treasurer	Not rated	9,293	9,293	
		$ 44,937		
Financial Statement Captions:				
Cash and cash equivalents		$ 44,937		

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. Financial institutions holding District deposits are required to be an eligible public depository under the requirements of Colorado's Public Deposit Protection Act.

The PDPA requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts on deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The 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.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, congressionally authorized mortgage lenders and investments that are federally guaranteed.

IV. Detailed Notes on All Funds (continued)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Buildings and improvements	$ 1,019,222	$ -	$ -	$ 1,019,222
Total capital assets being depreciated	1,019,222	-	-	1,019,222
Less accumulated depreciation for:				
Buildings and improvements	(724,551)	(33,974)	-	(758,525)
Total accumulated depreciation	(724,551)	(33,974)	-	(758,525)
Total capital assets, being depreciated, net	$ 294,671	$ (33,974)	$ -	$ 260,697

The District had the following depreciation expense for the following functions:

	Depreciation
Governmental activities:	
General government	$ 33,974
Total - governmental activities	$ 33,974

C. Fund Balance Disclosures

The District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, and long-term portions of loans receivable.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Board of Directors. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the District's platform to review and/or make changes to each department's budget. The budget is formally presented to the Board of Directors via an advertised public process for the review, revisions and final approval by year-end. All subsequent budget requests made during the year, after Board of Director approval, must be presented via a public process and again approved by the Board of Directors.

IV. Detailed Notes on All Funds (continued)

C. Fund Balance Disclosures (continued)

Spendable Fund Balance (continued):

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designees.

Unassigned – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District's restricted amounts are to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

V. Other Information

A. Legal Claims

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal counsel feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2025.

B. Intergovernmental Agreements

Effective January 1, 1991, the District entered into an intergovernmental agreement with the City of Glenwood Springs, Colorado (the "City"). This agreement was revised during 2018, and subsequently amended, and will automatically be renewed on a year-to-year basis until January 1, 2029, or unless either party gives a two-year advance written notice of termination.

The basic provisions of this agreement are to transfer to the City all fire and ambulance protection services, to acquire and maintain equipment and facilities, to hire and manage all personnel and the related costs and benefits, to manage volunteers and the related costs and benefits, to transfer administrative costs, and to transfer all other ancillary expenditures. The District transfers revenue less expenses to the City as the District's share of fire and ambulance costs for the year.

The agreement shall remain in effect for the purpose of retiring the District's bonded indebtedness. In addition, in accordance with a separate intergovernmental agreement between the District and City, dated March 16, 1990, the District must transfer property known as Glenwood Springs Rural Fire Protection District Station No. 1 upon retirement of the General Obligation Refunding Bonds. This retirement occurred during 2000 and all general fixed assets were transferred and are accounted for by the City.

V. Other Information (continued)

C. Volunteer Firefighters Pension Plan

In accordance with an intergovernmental agreement with the City (see Note V. B), the City assumes the pension obligation of all District volunteers, who are subject to all of the rights and responsibilities of other volunteers in the City's fire and ambulance departments. The District's volunteers are included in the City's Fire and Police Pension Association Plan.

D. Risk Management

In accordance with an intergovernmental agreement with the City (see Note V.B), the District is included in the City's risk management policy.

REQUIRED SUPPLEMENTARY INFORMATION

Glenwood Springs Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2025
With Comparative Actual Amounts for December 31, 2024

	2025			2024
	Original and Final Budget	Actual	Final Variance Positive (Negative)	Actual
Revenues:				
Property taxes	1,453,523	1,445,408	(8,115)	1,550,171
Specific ownership taxes	94,450	98,383	3,933	80,319
Interest	1,700	1,764	64	2,672
Miscellaneous	1,500	3	(1,497)	3
Total Revenues	1,551,173	1,545,558	(5,615)	1,633,165
Expenditures:				
Fire services	1,522,047	1,516,813	5,234	1,602,626
Treasurer's fees	29,070	28,913	157	31,030
Total Expenditures	1,551,117	1,545,726	5,391	1,633,656
Net Change in Fund Balance	56	(168)	(224)	(491)
Fund Balance - Beginning of the Year	40,327	46,537	6,210	47,028
Fund Balance - End of the Year	40,383	46,369	5,986	46,537

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