WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2025

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

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FISCAL FOCUS PARTNERS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Douglas County Fire Protection District
Douglas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of West Douglas County 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 each major fund of the District as of December 31, 2025, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund 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 (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

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.

Fiscal Focus Partners, LLC

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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 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 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

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

Accounting principles generally accepted in the United States of America require that the pension information on pages 25 and 26 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.

Fiscal Focus Partners, LLC

Arvada, Colorado
September 17, 2026

BASIC FINANCIAL STATEMENTS

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

December 31, 2025

	Governmental Activities
Assets	
Cash and investments	$ 1,108,373
Cash and investments - restricted	27,000
Property taxes receivable	938,776
Capital assets, net of accumulated depreciation	4,847,145
Total assets	6,921,294
Deferred Outflows of Resources	
Pension related amounts - FPPA volunteer pension fund	46,763
Total deferred outflows of resources	46,763
Liabilities	
Accounts payable	20,033
Payroll liabilities	9,405
Noncurrent liabilities	
Net pension liability - FPPA volunteer pension fund	199,322
Total liabilities	228,760
Deferred inflows of resources	
Property tax revenue	938,776
Pension related amounts - FPPA volunteer pension fund	37,049
Total deferred inflows of resources	975,825
Net position	
Net investment in capital assets	4,847,145
Restricted	
Emergency reserve	27,000
Unrestricted	889,327
Total net position	$ 5,763,472

The accompanying Notes to Financial Statements are an integral part of these statements.

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Primary government					
General government	$ 119,076	$ -	$ -	$ -	$ (119,076)
Public safety	771,210	17,637	-	721,551	(32,022)
Total primary government	$ 890,286	$ 17,637	$ -	$ 721,551	$ (151,098)
		General Revenues:			
		Property taxes			$ 775,178
		Specific ownership tax			59,890
		Net investment income			50,261
		Other income			40,626
		Total general revenues			925,955
		Change in net position			774,857
		Net position - beginning			4,988,615
		Net position - ending			$ 5,763,472

The accompanying Notes to Financial Statements are an integral part of these statements.

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2025

	General Fund
Assets	
Cash and investments	$ 1,108,373
Cash and investments - restricted	27,000
Property taxes receivable	938,776
Total assets	2,074,149
Liabilities, deferred inflows of resources and fund balances	
Liabilities	
Accounts payable	20,033
Payroll liabilities	9,405
Total liabilities	29,438
Deferred inflows of resources	
Property tax revenue	938,776
Total deferred inflows of resources	938,776
Fund balance	
Restricted for emergencies	27,000
Unassigned	1,078,935
Total fund balances	1,105,935
Total liabilities, deferred inflows of resources, and fund balances	$ 2,074,149
Total fund balance	$ 1,105,935
Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Capital assets, net of accumulated depreciation	4,847,145
Deferred outflows and inflows of resources that represent acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the funds	
Deferred Outflows - FPPA volunteer pension fund	46,763
Deferred Inflows - FPPA volunteer pension fund	(37,049)
Long-term liabilities are not due and payable in the current period period and therefore are not reported in the funds:	
Net pension liability - FPPA volunteer pension fund	(199,322)
Net position of governmental activities	$ 5,763,472

The accompanying Notes to Financial Statements are an integral part of these statements.

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	General Fund
Revenues	
Property taxes	$ 775,178
Specific ownership tax	59,890
Grants	21,852
Donations	1,237
Interest income	50,261
911 income	33,204
Other income	23,822
Total revenues	965,444
Expenditures	
Public safety	
Administration	119,076
District fire operation	137,590
Vehicle operations	50,460
Station operations	55,439
Pension	35,945
Payroll and stipends	289,835
Capital outlay	
Apparatus	371,701
Facilities	157,623
Equipment	57,642
Total expenditures	1,275,311
Net change in fund balance	(309,867)
Fund balances - beginning	1,415,802
Fund balances - ending	$ 1,105,935

The accompanying Notes to Financial Statements are an integral part of these statements.

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

Net change in fund balance - total governmental funds	$	(309,867)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital asset additions		586,966
Depreciation expense		(314,184)
Capital asset contributions to the District are not financial resources and therefore are not reported as revenue in the governments funds.		
Communication equipment donation		591,409
Facility equipment donations		108,290
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 governmental funds.		
Pension (expense) income.		112,243
Change in net position of governmental activities	$	774,857

The accompanying Notes to Financial Statements are an integral part of these statements.

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	$ 780,855	$ 775,178	$ (5,677)
Specific ownership tax	50,000	59,890	9,890
Response and inspection fees	15,000	17,637	2,637
Grants and donations	20,000	23,089	3,089
Interest, 911 fund, and other income	1,675,500	89,650	(1,585,850)
Total revenues	2,541,355	965,444	(1,575,911)
EXPENDITURES			
Administration	145,911	119,076	26,835
Fire operations	207,100	137,590	69,510
Vehicle operations	43,000	50,460	(7,460)
Station operations	47,800	55,439	(7,639)
Pension	35,945	35,945	-
Personnel	220,000	289,835	(69,835)
Capital outlay	2,134,500	586,966	1,547,534
Total expenditures	2,834,256	1,275,311	1,558,945
Net change in fund balance	(292,901)	(309,867)	(16,966)
Fund balance - beginning	1,238,335	1,415,802	177,467
Fund balance - ending	$ 945,434	$ 1,105,935	$ 160,501

The accompanying Notes to Financial Statements are an integral part of these statements.

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Note 1 – Reporting entity

West Douglas County Fire Protection District (the District), is a quasi-municipal corporation, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in west Douglas County, Colorado. The District was established to provide fire protection, rescue operations, and emergency medical services within the District.

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.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Note 2 – Summary of significant accounting policies

The more significant accounting policies of the District are described as follows:

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The Governmental activities are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds.

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.

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.

Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures, other than interest on long-term obligations, generally are recorded when a liability is incurred or the long-term obligation is due.

The District reports one major governmental fund. The general fund is the District's primary operating fund. It accounts for all financial resources of the general government.

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.

Property taxes

Property taxes are levied based on assessed valuations determined by the County Assessor 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 Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November and December. The County Treasurer remits the taxes collected monthly to the District.

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

Fair Value of Financial Instruments

The District’s financial instruments include cash and cash equivalents, accounts receivable, accounts payable and deferred outflows and inflows of resources. The District estimates that the fair value of these financial instruments as of December 31, 2025, do not differ materially from the aggregate carrying values used in the accompanying financial statements. The carrying amount of these financial instruments approximates the fair value due to the short maturity of these financial instruments.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column of the government-wide financial statements. Capital assets are defined by the District as those assets with a cost of $2,000 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings and improvements	7-40 years
Equipment	5-10 years
Vehicles/Apparatus	5-25 years

Deferred outflows and inflows of resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report separate sections for deferred outflows and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statement of Net Position, but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The District has certain items that relate to its pension plans that qualify for reporting as deferred outflows of resources and deferred inflows of resources. Deferred inflows of resources also consist of deferred property tax revenue. The deferred property tax revenue is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fund balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, restricted, committed, assigned and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expenses and inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Emergency Medical Services and Response Fees

The District grants credit to residents, visitors and third-party medical payers for EMS and response services provided by the District. Due to uncertainty related to the collection of the EMS and response fees, the District recognizes the revenue when the payment for services is received.

Note 3 – Cash and investments

Cash and investments are reflected on the December 31, 2025 statement of net position as follows:

	Governmental
Cash and investments	$ 1,108,373
Cash and investments- restricted	27,000
Total cash and investments	$ 1,135,373

Cash and investments as of December 31, 2025 consist of the following:

	Governmental
Deposits with financial institutions	$ 87,431
Investments	1,047,942
Total cash and investments	$ 1,135,373

Deposits with financial institutions

The Colorado Public Deposit Protection Act (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. As of December 31, 2025, the federal insurance limit was $250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate 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 cash deposits had a bank balance of $100,120 and a carrying balance of $87,431.

Investments

The District has not adopted a formal investment policy but follows state statutes regarding investments.

The District primarily limits its investments to money market funds, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	$ 1,047,942

Colotrust

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period. At December 31, 2025, all investments of the District were held in COLOTRUST PLUS+.

Cash and investments - restricted

Article X, Section 20 of the Constitution of the State of Colorado requires the District to establish emergency reserves (see Note 8). At December 31, 2025, $27,000 of cash and investments were restricted in compliance with this requirement.

Note 4 – Capital assets

An analysis of the changes in capital assets for the year ended December 31, 2025 are as follows:

	December 31 2024	Additions	Deletions	December 31 2025
Capital assets not being depreciated:				
Construction in process	$ -	$ 591,409	$ -	$ 591,409
Land	11,547	-	-	11,547
Total not being depreciated	11,547	591,409	-	602,956
Capital assets being depreciated:				
Stations and grounds	2,606,163	265,912	-	2,872,075
Apparatus / Vehicles	3,202,947	371,701	-	3,574,648
Land improvements	15,980	-	-	15,980
Firefighting equipment	412,198	57,642	-	469,840
Communication equipment	222,103	-	-	222,103
Total	6,459,391	695,255	-	7,154,646
Accumulated depreciation:				
Stations and grounds	(782,624)	(69,274)	-	(851,898)
Apparatus	(1,597,090)	(158,048)	-	(1,755,138)
Land improvements	(10,088)	(346)	-	(10,434)
Firefighting equipment	(131,276)	(61,881)	-	(193,157)
Communication equipment	(75,195)	(24,635)	-	(99,830)
Total	(2,596,273)	(314,184)	-	(2,910,457)
Capital assets being depreciated, net	3,863,118	381,071	-	4,244,189
Net capital assets	$ 3,874,665	$ 972,480	$ -	$ 4,847,145

Depreciation expense of $314,184 for the year ended December 31, 2025 was charged to the Public Safety function.

Note 5 – Net position

The District reports net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of leases, bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2025 the District had net investment in capital assets of $4,847,145.

Restricted net position is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2025, the District has restricted net position, for emergencies, of $27,000.

The District had unrestricted net position of $889,327 as of December 31, 2025.

Note 6 – Employee retirement plans

State of Colorado Fire and Police Pension Association – Statewide Retirement Plan (FPPA)

The District contributes to the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component, and Money Purchase Component. The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the SRP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. Most full-time, paid firefighters of the District are members of the SRP, and all newly hired firefighters have to be enrolled in the SRP.

The SRP assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members). The SRP is administered by FPPA. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Description of Benefits

SRP provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the Normal Retirement Age. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances, with the Normal Retirement Age being not less than age 55 and not more than age 60. A member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

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

The annual normal retirement benefit for the Defined Benefit Component is 2 percent of the average of the member’s highest three years’ base salary for each year of credited service up to ten years, plus 2.5 percent of the average member’s highest three years’ base salary for each year of service thereafter.

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

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member’s highest three years’ base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member’s highest three years’ base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

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

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2025, the total combined member and employer contribution rate was 22.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2025, the total minimum required member and employer contribution rate was 22.7 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2025, the total combined member and employer contribution rate was 11.25 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2025, the total minimum combined member and employer contribution rate was 16.75 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members. A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan.

Employer contributions are recognized by SRP in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to SRP. Contributions to the Defined Benefit Component of the SRP from the District were $13,727 for the year ended December 31, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The SRP is also subject to the provisions of GASB 68 which provide guidance for the potential recognition of the District's proportionate share of the SRP's net pension liability/(asset) and any related deferred outflows or deferred inflows. The District has evaluated the impact of GASB 68 and has determined the District's proportionate share of the SRP's net pension liability/(asset) and any related deferred outflows or deferred inflows is immaterial.

As such, as permitted under US GAAP, the District's proportionate share of the SRP's net pension liability/(asset) and any related deferred outflows or deferred inflows are not reflected.

Volunteer Pension Fund

Description of the Plan and Benefits Provided

The District, on behalf of its volunteer firefighters, maintains the District's Volunteer Firefighters' Pension Plan, an agent multiple-employer defined benefit pension plan (the "Plan") administered by the Fire and Police Pension Association of Colorado ("FPPA").

Volunteer firefighters who maintain an average training participation in the department of 36 hours per year are eligible to participate in the plan for that year. Volunteers' rights to benefits fully vest after 20 years of service. Volunteers, who retire at, or after the age of fifty with ten years of credited service, are entitled to a reduced benefit. In addition, the Plan provides death and disability benefits funded by insurance policies.

The District makes contributions based upon District established benefits and funding requirements based upon an actuarial study. Plan members do not make contributions. The State of Colorado also may make an annual contribution to the Plan in an amount established by statute.

Volunteers Covered by Benefit Terms
As of January 1, 2025, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	38
Inactive, Nonretired Members	3
Active Members	32
Total	73

Benefits Provided
The Plan provides retirement benefits for Plan participants and beneficiaries according to the Plan provisions as enacted and governed by the Plan Board of Trustees as follows:

Normal Retirement Benefit at Age 50 with 20 years of service (monthly)	$ 200
Vested Retirement Benefit with 10 to 20 years of service per year (monthly)	10
Disability Retirement Benefit (monthly)	
Short-term disability for line of duty injury, not to exceed 1 year	100
Long-term disability for line of duty injury, lifetime benefit	150
Survivor Benefits (monthly)	
Death in the line of duty, before retirement eligible	150
Death after normal retirement	100
Death after disability retirement	75
Funeral Benefit, lump sum, one-time only	200

The above benefit provisions were also used to determine the total pension liability as of December 31, 2024, the measurement date.

Funding Policy
The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The Actuarial study as of January 1, 2025, indicated that the current level of contributions to the fund are adequate to support, on an actuarially sound basis, the prospective benefits for the present plan.

Contributions
For the year ended December 31, 2025, the District contributed $35,945 to the plan.

Net Pension Liability
The total pension liability is based on an actuarial valuation performed as of January 1, 2025 and a measurement date of December 31, 2024. This measurement date is within two years of the plan sponsor's fiscal year-end of December 31, 2025 and may be used for December 31, 2025 reporting purposes.

Actuarial Assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 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.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Mortality:

Pre-retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier.

Post-retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

Disabled: Pub-2010 Public Safety Health 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.

The actuarial assumptions were changed for the actuarial valuation as of January 1, 2025 and as such, the total pension liability was measured using those assumptions.

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.08% (based on the weekly rate closet to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount rate is 7.00%.

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 that the plan's fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 7.00% was used as the discount rate.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Liquidity	4.0%	4.2%
Fixed Income - Rates	7.0%	5.0%
Fixed Income - Credit	7.0%	6.5%
Diversifiers	9.0%	5.7%
Long Short	6.0%	6.2%
Global Public Equity	33.0%	7.0%
Private Markets	34.0%	8.8%
Total	100.0%	

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2024	$ 971,356	$ 643,053	$ 328,303
Service Cost	15,113	-	15,113
Interest	63,653	-	63,653
Changes in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(63,119)	-	(63,119)
Changes in Assumptions	(35,945)	-	(35,945)
Contributions - Employer	-	35,945	(35,945)
State of Colorado Supplemental Discretionary Payment	-	32,351	(32,351)
Net Investment Income	-	59,035	(59,035)
Benefit Payments	(68,180)	(68,180)	-
Administrative Expenses	-	(18,648)	18,648
Net Changes	(88,478)	40,503	(128,981)
Balance at December 31, 2025	$ 882,878	$ 683,556	$ 199,322

Sensitivity of the net pension liability/(asset) to the changes in the discount rate. The following table presents the net pension liability of the District, calculated using the discount rate of 7.00% as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Net Pension Liability	$ 284,552	$ 199,322	$ 126,979

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

For the year ended December 31, 2025, the district recognized pension expense (income) of $(112,243) for the Volunteer Pension Plan. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 37,049
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,818	-
Contributions Subsequent to the Measurement Date	35,945	-
Total	$ 46,763	$ 37,049

$35,945 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as decrease in the pension liability in the year ended December 31, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (income) as follows:

Year Ended December 31	Deferred Amounts
2026	$ (20,689)
2027	3,481
2028	(6,092)
2029	(2,931)
Total	$ (26,231)

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

Note 7 – 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 employees; or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 8 – 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.

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

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 interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

Note 9 – Management's evaluation of subsequent events

The preparation of the District's financial statements and accompanying footnotes in conformity with generally accepted accounting principles requires management of the District to evaluate transactions and events involving the District subsequent to the balance sheet date. Management has evaluated the subsequent transactions and events of the District through September 17, 2026, which is the date the financial statements and accompanying notes were available for issuance.

REQUIRED SUPPLEMENTAL INFORMATION

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT
VOLUNTEER PENSION FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 15,113	$ 15,113	$ 14,947	$ 14,947	$ 13,846	$ 13,846	$ 13,245	$ 13,245	$ 13,086	$ 13,086
Interest on the Total Pension Liability	63,653	63,111	62,465	62,220	60,644	60,423	65,076	64,545	59,714	59,406
Differences Between Expected and Actual Experience	(63,119)	-	(72)	-	19,192	-	(45,773)	-	31,038	-
Contributions Subsequent to Measurement Date	-	35,945	-	-	-	-	-	-	-	-
Assumption Changes	(35,945)	-	5,820	-	-	-	33,620	-	30,041	-
Benefit Payments	(68,180)	(72,700)	(75,280)	(72,120)	(71,310)	(70,920)	(70,920)	(70,508)	(68,615)	(68,160)
Net Change in Total Pension Liability	(88,478)	41,469	7,880	5,047	22,372	3,349	(4,752)	7,282	65,264	4,332
Total Pension Liability - Beginning of Year	971,356	929,887	922,007	916,960	894,588	891,239	895,991	888,709	823,445	819,113
Total Pension Liability - End of Year	882,878	971,356	929,887	922,007	916,960	894,588	891,239	895,991	888,709	823,445
Plan Fiduciary Net Position										
District Contributions	35,945	35,945	35,945	35,945	35,945	35,945	27,345	27,395	21,690	21,690
Pension Plan Net Investment Income	59,035	57,686	(55,344)	87,114	66,174	71,293	673	72,334	26,402	9,862
Benefit Payments	(68,180)	(72,700)	(75,280)	(72,120)	(71,310)	(70,920)	(70,920)	(70,508)	(68,615)	(68,160)
Pension Plan Administrative Expenses	(18,648)	(20,944)	(15,773)	(15,078)	(12,867)	(16,281)	(16,132)	(14,630)	(1,070)	(2,072)
State of Colorado Supplemental Discretionary Payment	32,351	32,351	32,351	62,783	-	24,611	24,656	19,521	19,521	17,460
Net Change in Plan Fiduciary Net Position	40,503	32,338	(78,101)	98,644	17,942	44,648	(34,378)	34,112	(2,072)	(21,220)
Plan Fiduciary Net Position - Beginning of Year	643,053	610,715	688,816	590,172	572,230	527,582	561,960	527,848	529,920	551,140
Plan Fiduciary Net Position - End of Year	683,556	643,053	610,715	688,816	590,172	572,230	527,582	561,960	527,848	529,920
Net Pension Liability - End of Year	$ (199,322)	$ (328,303)	$ (319,172)	$ (233,191)	$ (326,788)	$ (322,358)	$ (363,657)	$ (334,031)	$ (360,861)	$ (293,525)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.42%	66.20%	65.68%	74.71%	64.36%	63.97%	59.20%	62.72%	59.39%	64.35%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's 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

WEST DOUGLAS COUNTY FIRE PROTECTION DISTRICT
VOLUNTEER PENSION FUND
SCHEDULE OF DISTRICT CONTRIBUTIONS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Pension Plan Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Schedule of Contributions										
Actuarially Determined Contribution	$ 55,442	$ 61,008	$ 61,008	$ 60,556	$ 60,556	$ 46,916	$ 46,915	$ 39,150	$ 39,150	$ 36,354
Actual Contributions	68,296	68,296	68,296	98,728	36,945	60,556	52,001	46,916	41,211	39,150
Contribution Deficiency (Excess)	$ (12,854)	$ (7,288)	$ (7,288)	$ (38,172)	$ 23,611	$ (13,640)	$ (5,086)	$ (7,766)	$ (2,061)	$ (2,796)

Notes to Schedules

Valuation Date:
Actuarially determined contribution rates are calculated as of January 1 of odd numbered years and used for two fiscal years