WINDSOR SEVERANCE FIRE RESCUE
COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for fiscal year ended December 31, 2025

WINDSOR SEVERANCE FIRE PROTECTION DISTRICT

WELD AND LARIMER COUNTIES, COLORADO

Annual Comprehensive Financial Report

Fiscal Year Ended December 31, 2025

Prepared by:

James Vincent Group

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Introductory Section

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June 29, 2026

To the Honorable Board of Directors and Citizens of Windsor Severance Fire:

The following is the Annual Comprehensive Financial Report (ACFR) of Windsor Severance Fire Rescue (WSFR) for the fiscal year ended December 31, 2025. The Government of Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. These goals are perfectly aligned with the goals of Windsor Severance Fire Rescue.

The Office of the State Auditor's Local Government Audit Division tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law [Section 29-1-601, et seq., C.R.S.], which requires submission of an annual independent financial audit to the State Auditor. This report is published and submitted to the Office of the State Auditor to fulfill that requirement for the fiscal year ended December 31, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Walker Armstrong, a certified public accounting firm, has issued an unmodified ("clean") opinion on the Windsor Severance Fire Rescue financial statements for the year ended December 31, 2025.

The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

District Profile

On May 12, 1902, the Windsor Fire Department was organized for the protection of the property within the Town of Windsor. The Department started with just 550 feet of hose, a nozzle, and a couple of axes and buckets. Today WSFR has four fire stations featuring state-of-the-art equipment and highly trained firefighters.

WSFR is an ISO class 2 agency that provides fire and emergency services in Northern Colorado. The District is approximately 100 square miles located in Weld and Larimer Counties and includes the Towns of Windsor, Severance and portions of Fort Collins, Loveland, Eaton, and Greeley. WSFR is dedicated to providing quality fire suppression and prevention, Emergency Medical Services (EMS), community engagement, and public education while striving for the highest level of professionalism for over 60,000 residents served. The community outreach programs include CPR, First Aid classes, and school-aged and senior fire prevention programs.

WSFR responds to a wide variety of emergencies. On average, fire crews respond to eleven calls for service per day making WSFR one of the busiest fire departments in Weld County. The total number of calls for 2025 was 5,218, which is a increase from 2024 to 2025. This call volume is comprised of 97 fire incidents, 1,358 service and good intent incidents, 439 false alarms, 111 other incidents, and 3,213 EMS incidents. Community growth has led to consistent increases in call volume year over year. Effective planning, increased training to respond to new hazards, and active partnerships with local government and developers are all imperative for our ability to respond to increasing calls for service. These focused efforts combine to help ensure a safe community and efficient use of our valuable resources to best serve our citizens and visitors.

The vision of WSFR is "Building a culture of unwavering commitment to our community and each other while striving for greatness."

The values of WSFR include:

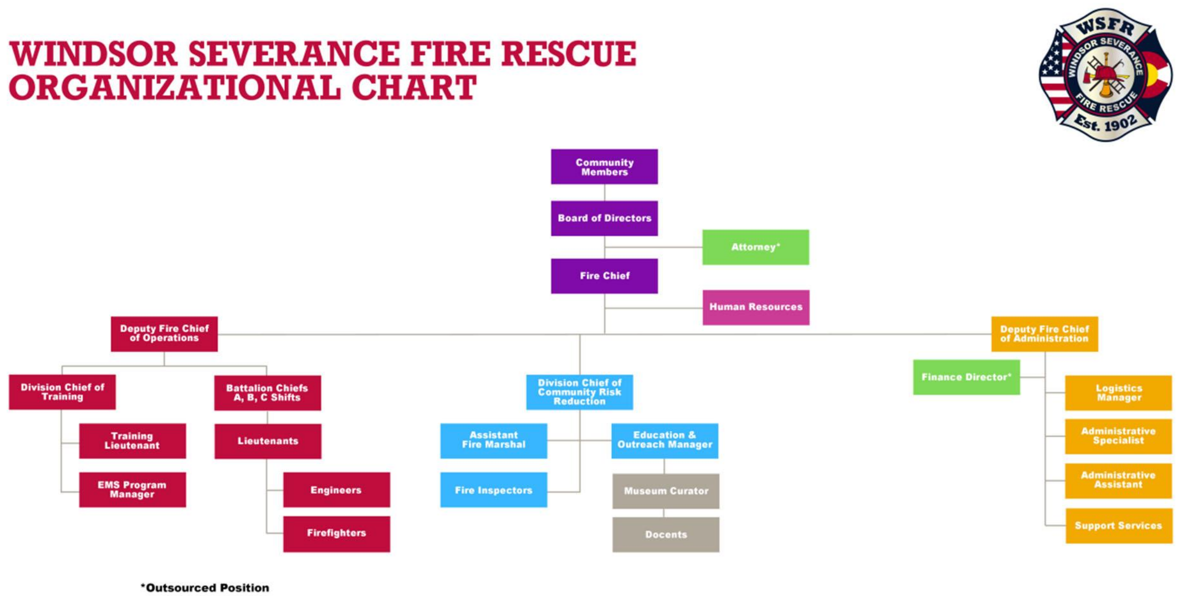
"Readiness" – We will anticipate the needs of our community through preparedness, education, and continual improvement.

"Excellence" – We will pursue mastery of technical knowledge, skills, and abilities.

"Courage" – We will display the mental strength and moral character to do what is right, even in the presence of personal and professional adversity.

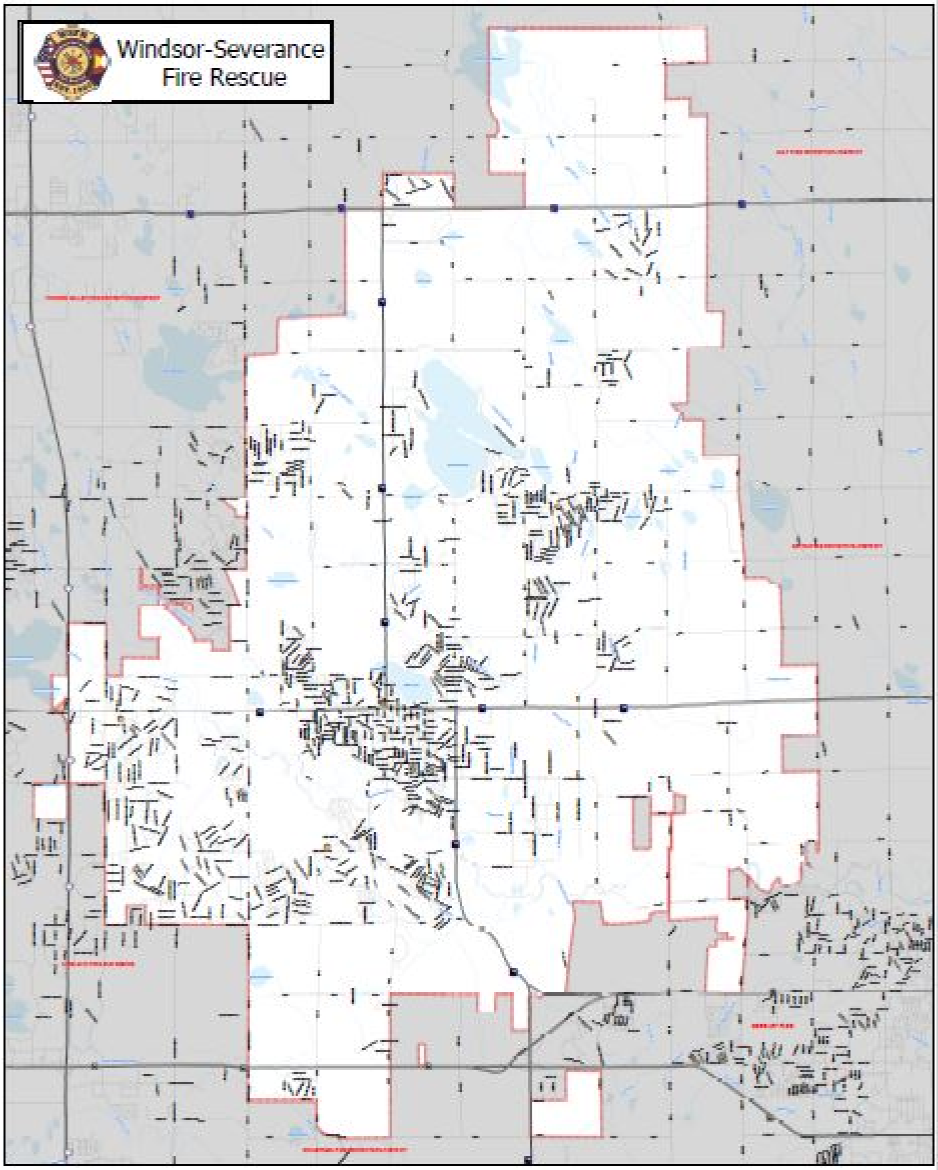
"Respect" – We will serve our community and each other with dignity, integrity, appreciation and kindness, while valuing the diversity and efforts of all.

The District is governed by a five-member Board elected by the public that is comprised of a Board President and four members including a Vice President, Board Secretary, and Treasurer. All board members are elected at large and serve staggered, three-year terms. The Board hires and has authority over a Fire Chief who is charged with managing the day-to-day operations of the District. The Board is required to adopt an annual budget which serves as the foundation for financial planning and control. The budget is prepared by fund, function, and object and is approved at the fund level. A current organization chart follows:



About the Area

WSFR serves both the residents and visitors along the Front Range of Colorado which sits within two counties. While historically a more rural and agricultural community, Windsor became the home to Eastman Kodak in the early 1970s which helped to set the stage for other commercial expansion and the need to develop additional infrastructure to support this growth. The Fire District continues to experience significant residential and commercial growth due to being nestled between the larger communities of Greeley, Loveland, and Fort Collins. Notable industry includes a new minor league baseball and soccer complex, Vestas Blades Americas which produces large windmill blades for wind farms around the world, Owens-Illinois, Inc. which manufactures more than 2 million brown beverage bottles each year, Front Range Energy which is a leading producer and supplier of fuel ethanol, as well as many other companies in operation and other commercial projects that are in the planning stages including hotels, restaurants, and other large industrial projects. Additionally, Windsor and Severance have several master-planned, residential communities of significance and boasts many recreational opportunities within the Fire District and the region as it sits in the shadow of Rocky Mountain National Park and are hosts to golf courses and a large section of the Cache La Poudre River.



Budget Overview

The District budgets in accordance with the requirements of state law. The general, capital, and impact funds are budgeted on the modified accrual basis of accounting.

The Board of Directors adopts the general, capital, and impact funds budget prior to December 15th. Throughout the budget process, the Board reviews the budgeted expenses at the fund, function, and object level. This is done to allow the Board and participating community members to gain a more detailed understanding of the budget. Although the Board reviews the budget at the fund, function, and object level, the budget is approved at the fund level and sets the level by which actual expenditures should not exceed budgeted expenditures. The legal level of budgetary control is at the fund level.

Budgeted expenditures lapse at year-end and may not be carried over to subsequent years.

Local Economy and Outlook

In recent years, the communities of Windsor and Severance have continued to experience growth driven by population increases and ongoing development throughout the region. The District closely monitors assessed property values because property tax revenue remains one of its most significant funding sources. While prior years saw substantial increases in both residential and commercial property valuations, 2025 brought a decline in overall property tax revenue due to reductions in assessed values, particularly within the oil and gas sector. Despite these decreases, the District's tax base remains stable and continues to benefit from the long-term growth trends occurring throughout the service area.

Oil and gas activity continues to play an important role in the local economy and the District's property tax revenues. However, this revenue source remains highly volatile and subject to fluctuations in commodity prices, production levels, and market conditions. Following significant valuation increases in prior years, the District experienced a notable decline in oil and gas assessed values during 2025, which contributed to the reduction in overall property tax revenues.

The District's financial position remains strong despite these revenue challenges. Through prudent financial planning and conservative budgeting practices, WSFR has maintained healthy reserve balances that provide financial flexibility during periods of economic uncertainty and revenue volatility. These reserves allow the District to absorb short-term fluctuations in revenue while continuing to fund operations, maintain service levels, address capital improvement needs, and set aside resources for future contingencies. As WSFR looks to the future, it will continue to closely monitor economic conditions, assessed value trends, and development activity to ensure the long-term financial sustainability of the District.

Long-term financial planning and major initiatives

While constantly adapting to the needs of the community, WSFR is always working toward long-term financial stability. WSFR implemented Impact Fees for new commercial and residential development to help offset long term capital costs needed to provide emergency services to the record-setting growth it is experiencing. These fees must be earmarked for capital improvement items that are directly tied to growth such as new station or apparatus costs, etc. This allows tax revenue to enhance operational capabilities with programs and associated staffing needed to meet future service delivery requirements.

Throughout the year, and particularly during budgeting, WSFR makes decisions based on the long-term financial sustainability of the District. This involves projecting operational cost and revenue over a five-year period while constantly evaluating the capital improvement plan and balancing the needs of the organization within its financial constraints.

Using focused and detailed financial management, WSFR has increased both its unrestricted fund balance and ability to fund capital needs. Given both the GFOA minimum recommendation of maintaining no less than two months of regular fund operating revenues and the volatility associated with WSFR revenues and expenses, this increased fund balance is an important piece in providing long-term financial sustainability for the organization and its ability to provide the highest level of service to the communities it serves.

Relevant Financial Policies

WSFR has adopted a comprehensive set of financial policies. These policies are constantly evaluated for their effectiveness and how they keep the Governing Board and staff focused on increased internal controls, reporting, and long-term sustainability. The policies implemented have been effective in protecting the District and its focus on maintaining service levels while also providing long-term sustainability and success.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Windsor Severance Fire Rescue for its Annual Comprehensive Finance Report (ACFR) for the fiscal year ended December 31, 2024. This was the second year that government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

We would like to express our sincere gratitude to the personnel of the finance department who assisted and contributed to the preparation of this report. We also extend our sincerest appreciation to Board Chair Robert Thorn, Members of the Board, the managers, employees, and citizens of the District whose continued support is vital to the financial health of Windsor Severance Fire Rescue.

Respectfully submitted,

Christopher Angermuller   The James Vincent Group

Christopher Angermuller
Fire Chief

The James Vincent Group
Finance Director

Windsor Severance Fire Rescue

List of Elected and Appointed Officials
December 31, 2025

Elected Board Members

	Term Expires
Board Chair Andrew Rosen	May 12, 2027
Board Vice President Mike Medhurst	May 14, 2029
Board Treasurer Trent Hansen	May 12, 2027
Board Secretary Deborah Lutz	May 12, 2027
Board Director Nathan Rea	May 12, 2029

Regular meetings of the Fire District's Governing Board are held on the second Wednesday of each month at the administrative offices (address listed below).

Administrative Offices

100 N. 7th Street, Windsor, Colorado, 80550

Fire Chief/Administrator

Fire Chief Christopher Angermuller

Finance Director

The James Vincent Group

Legal Counsel

Lyons Gaddis, P.C.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Windsor Severance Fire Rescue
Colorado

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

Board of Directors and Management
Windsor Severance Fire Protection District
Windsor, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Windsor Severance 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparison information on pages 37 and 38, and the pension related schedules on pages 39 through 41, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules for the capital fund and impact fund on pages 42 and 43 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules for the capital fund and impact fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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.

Walker & Armstrong, LLP

Phoenix, Arizona
June 29, 2026

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As management of Windsor Severance Fire Protection District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with District's financial statements, which begin on page 11. This annual financial report consists of three parts, Management's Discussion and Analysis (this section), the basic financial statements and the statistical section.

Nature of Operations

The District was created in 1950 by several citizens concerned about fire protection for their homes and businesses. The District provides fire services to homes, property and persons residing within the District boundaries which encompasses the towns of Windsor and Severance, Colorado.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $43,062,746. Of this amount, $18,778,848 is invested in capital assets, net of related debt.
- During the year, the District's total net position increased by $1,963,229 or 4.8% from the previous year.
- Total revenues decreased from the previous fiscal year by $5,826,460 or 24.6% due to a decrease in property taxes of $4,061,093, state property tax backfill of $983,906 and charges for services of $253,304.
- Total public safety expenses increased by $1,623,774 or 11.4%.
- At the end of the current fiscal year, unrestricted net position for governmental activities was $23,727,183.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the basic financial statements. This report also contains required supplementary information and a statistical section in addition to the basic financial statements themselves.

The main purpose of these statements is to provide the reader with sufficient information to assess whether or not the District's overall financial position has improved or deteriorated.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Consequently, the entity-wide presentation utilizes the accrual basis of accounting and consolidates all governmental funds of the District.

Government-wide Financial Statements

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government–wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Management establishes governmental funds based on the application of generally accepted accounting principles and the evaluation of applicable laws, regulations and reporting objectives.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three (3) governmental funds: the general fund, capital fund and impact fund.

Fund Financial Statements - Continued

Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, capital fund and impact fund (major governmental funds). The concept and determination of major funds has been established by the Governmental Accounting Standards Board (GASB).

The District adopts an annual appropriated budget to provide for its general fund. A budgetary comparison statement for the general fund has been provided as part of the supplementary information following the basic financial statements to demonstrate compliance with the budget and is presented on pages 37 through 38. The District revises the capital improvement plan annually to outline anticipated replacements and projects to be completed during the year using the general fund.

The basic governmental funds financial statements can be found on pages 13-16 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17-36 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes required supplementary information, other than *Management's Discussion and Analysis,* concerning a comparison of the District's budget to actual revenues and expenditures, as described earlier and can be found on pages 37 and 38 of this report and certain pension information is reported on pages 39 through 41.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $43,062,746 at the close of the 2025 fiscal year. A portion of the District's net position, $18,778,848, reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery and equipment, vehicles, right-to-use subscription assets); less any related outstanding debt used to acquire those assets.

Government-Wide Financial Analysis - Continued

The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The District had $556,715 in restricted fund balance for emergencies with a remaining unrestricted net position of $23,727,183.

The District's $23,681,683 in capital assets consists of land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and right-to-use subscription assets.

The following contains an analysis of the current year government-wide statements.

Condensed Statements of Net Position

GOVERNMENTAL ACTIVITIES

	2025	2024
Assets		
Cash and investments	$ 25,403,845	$ 25,564,740
Other assets	16,409,399	15,191,419
Capital assets, net	23,681,683	20,721,111
Total assets	65,494,927	61,477,270
Deferred outflows of resources related to pension	3,065,641	3,233,596
Liabilities		
Current liabilities	1,007,881	438,150
Noncurrent liabilities	7,698,443	7,797,150
Total liabilities	8,706,324	8,235,300
Deferred inflows of resources		
Related to property taxes	15,907,726	14,703,559
Related to pensions	883,772	672,490
Total deferred inflows of resources	16,791,498	15,376,049
Net position		
Net investment in capital assets	18,778,848	15,356,246
Restricted	556,715	646,322
Unrestricted	23,727,183	25,278,949
Total net position	$ 43,062,746	$ 41,099,517

Governmental activities revenues totaled $17,839,547 for year 2025, a decrease of $5,826,460 or 24.6%. These decreases can be attributed to a decrease in property taxes of $4,061,093 from a change in the Colorado statutes limiting the calculation of property assessments on commercial and residential properties, a decrease in charges for services of $253,304 or 21.8% from a decrease in plan reviews, a decrease in other revenues of $181,070 or 65.9% due to a decrease in the sales of surplus assets, and a decrease in impact fees of $130,545 from a decrease in property developments.

Government-Wide Financial Analysis - Continued

The cost of all governmental activities for the year ended December 31, 2025, was $15,876,318, an increase of $1,623,774 or 11.4%. The majority of expenses is salaries, wages and related expenses which overall increased due to an increase in the number of employees and an increase in pension expense.

The following table presents a summary of the District's revenues and expenses for the current fiscal year:

Condensed Statements of Activities

GOVERNMENTAL ACTIVITIES

	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 907,397	$ 1,160,701
Impact fees	355,524	486,069
Operating grants and contributions	12,285	127,559
General revenues:		
Property taxes	14,624,175	18,685,268
Specific ownership taxes	657,922	754,912
State property tax backfill	-	983,906
Investment earnings	1,188,365	1,192,643
Other revenue	93,879	274,949
Total revenues	17,839,547	23,666,007
Expenses:		
Public safety	15,876,318	14,252,544
Total expenses	15,876,318	14,252,544
Change in net position	1,963,229	9,413,463
Net position, beginning of year	41,099,517	31,686,054
Net position, ending of year	$ 43,062,746	$ 41,099,517

Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and generally accepted accounting principles (GAAP).

Financial Analysis of the Governmental Funds - Continued

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

At the end of the current fiscal year, the District's governmental funds reported ending fund balances of $24,906,943. Revenues for the year included property tax revenues, specific ownership taxes, impact fees, intergovernmental agreements, charges for services and investment earnings.

Of the $24,906,943 total governmental fund balances, $203,710 was nonspendable because of prepaid items, $556,715 was restricted for emergencies, $15,237,237 was committed for future capital outlay, and $8,909,281 was unassigned.

The general fund is the chief operating fund of the District. The general fund balance increased $2,133,709 or 28.3% during the fiscal year. The increase was primarily attributed to revenues continuing to exceed expenditures. The revenues decreased $5,721,425 primarily from a decrease of property taxes of $4,061,093 or 21.7% from the changes within the State of Colorado assessment limitations and charges for services decreased $253,304 due to a decrease in plan reviews. General fund expenditures increased $875,789 or 6.4%, primarily due to an increase in personnel costs of $979,623, offset by various other decreases.

At the end of the current fiscal year, unassigned fund balance of the general fund was $8,909,281. As a measure of the general fund's liquidity, it may be useful to compare spendable fund balance to total fund expenditures. Spendable fund balance represents 61.4% of total general fund expenditures of $14,498,561.

The Capital Fund accounts for the funds dedicated to the purchase of future capital assets. As of December 31, 2025, the ending fund balance in the Capital Fund was $12,985,349. The Capital Fund balance decreased $3,292,757 primarily due to expenditures for capital projects and no transfers in from general fund in the current year.

The Impact Fund accounts for the impact fees charged to defray the costs of future development and growth dedicated to the purchase of future capital assets. As of December 31, 2025, the ending fund balance in the Impact Fund was $2,251,888. The Impact Fund balance increased $441,414 due to impact fees received during the year and no expenditures during the year.

General Fund Budgetary Highlights

Total revenues were $548,789 less than budgeted revenues while total expenditures were $894,369 less than budgeted expenditures. The decrease over budgeted revenues occurred primarily due to intergovernmental revenue being $487,715 less than budgeted, property taxes being $79,384 less than budgeted, specific ownership taxes being $42,078 less than budgeted, offset by charges for services being $82,397 more than budgeted. The expenditure variance resulted primarily from personnel costs being $293,305 under budget, and other expenditures being $500,000 under budgeted.

Capital Asset and Debt Administration - Continued

Capital Assets – The District's investment in capital assets as of December 31, 2025, totaled $23,681,683 (net of accumulated depreciation/amortization). These assets include land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and right-to-use subscription assets. Major capital asset transactions during the year included $4,092,308 in capital asset acquisitions including land purchase of $1,572,628, machinery and equipment of $657,683, three vehicles and a motor totaling $1,841,429 and $20,568 in building improvements.

The District depreciates/amortizes capital assets, except for land and construction in progress, consistent with generally accepted accounting principles, utilizing the straight-line depreciation method. The cost of the asset is divided by the expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. Major outlays for capital assets and improvements are capitalized as projects are completed and placed into service. Additional information on the District's capital assets can be found in Note 3 in the basic financial statements on page 25.

Long-Term Liabilities – At the end of the current year, the District had long-term liabilities outstanding of $7,698,443, which included unfunded pension liabilities in the amount of $1,537,047, financed purchase of $4,898,000, compensated absences of $1,258,561, and subscription liabilities of $4,835.

Additional information on the District's long-term liabilities can be found in Note 4 in the basic financial statements on pages 26 and 27.

Economic Factors Affecting Future Results

The District's mil levy remains unchanged at 8.250 mills for fiscal year 2026. Management continues to anticipate growth in assessed property values in both Larimer and Weld Counties, which is expected to provide ongoing support for property tax revenues.

A significant portion of the District's assessed valuation in Weld County is attributable to oil and gas properties. These valuations are inherently volatile and subject to fluctuations in commodity prices, production activity, and other market conditions. Weld County provides advance notification when declines in oil and gas assessed values are anticipated, enabling the District to assess potential revenue impacts and make appropriate adjustments to its financial planning.

Although the District experienced overall assessed valuation growth in both counties during fiscal year 2026, the impact of Colorado legislation enacted in 2024 became effective during the year. The legislation, which limits future property tax growth and reduces residential property tax assessments, significantly constrained the increase in property tax revenues that would have otherwise resulted from rising assessed valuations. As a result, property tax revenue growth in 2026 was more modest than historical trends and underlying valuation increases would have suggested.

Contacting the District

This financial report is designed to provide an overview of the District's finances for anyone with an interest in the government's finances. Any questions regarding this report or requests for additional information may be directed to Windsor Severance Fire Protection District at 100 North Seventh Street, Windsor, Colorado, 80550.

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Windsor Severance Fire Protection District
Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Cash and investments	$ 25,403,845
Receivables, net:	
Property taxes	15,966,236
Other	239,453
Prepaid items	203,710
Capital assets, not being depreciated/amortized	2,958,962
Capital assets, being depreciated/amortized, net	20,722,721
Total assets	65,494,927
Deferred outflows of resources	
Deferred outflows related to pension	3,065,641
Total deferred outflows of resources	3,065,641
Liabilities	
Accounts payable	663,610
Accrued payroll and related	334,965
Accrued interest	9,306
Noncurrent liabilities:	
Due within one year	1,021,455
Due in more than one year	6,676,988
Total liabilities	8,706,324
Deferred inflows of resources	
Deferred inflow related to property tax	15,907,726
Deferred inflows related to pension	883,772
Total deferred inflows of resources	16,791,498
Net position	
Net investment in capital assets	18,778,848
Restricted for emergencies	556,715
Unrestricted	23,727,183
Total net position	$ 43,062,746

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

Windsor Severance Fire Protection District
Statement of Activities
Year Ended December 31, 2025

	Governmental Activities
Program expenses	
Public safety-fire protection and emergency medical services	
Personnel costs	$ 12,518,670
Buildings and land	279,217
Vehicle and equipment	509,973
Communications and IT	207,421
Travel and training	297,160
Managerial costs	787,774
Depreciation/amortization expense	1,131,736
Debt service - interest	144,367
Total program expenses	15,876,318
Program revenues	
Charges for services	907,397
Impact fees	355,524
Operating grants and contributions	12,285
Total program revenues	1,275,206
Net program expense	14,601,112
General revenues	
Taxes:	
Property taxes	14,624,175
Specific ownership taxes	657,922
Investment earnings	1,188,365
Other revenue	93,879
Total general revenues	16,564,341
Change in net position	1,963,229
Net position, January 1, 2025	41,099,517
Net position, December 31, 2025	$ 43,062,746

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

Windsor Severance Fire Protection District
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Capital Fund	Impact Fund	Total Governmental Funds
Assets				
Cash and investments	$ 6,878,756	$ 16,353,590	$ 2,171,499	$ 25,403,845
Receivables, net:				
Property taxes	15,966,236	-	-	15,966,236
Other	170,898	-	68,555	239,453
Due from other funds	3,356,407	-	11,834	3,368,241
Prepaid items	203,710	-	-	203,710
Total assets	$ 26,576,007	$ 16,353,590	$ 2,251,888	$ 45,181,485
Liabilities				
Accounts payable	$ 663,610	$ -	$ -	$ 663,610
Accrued payroll and related	334,965	-	-	334,965
Due to other funds	-	3,368,241	-	3,368,241
Total liabilities	998,575	3,368,241	-	4,366,816
Deferred inflows of resources				
Unavailable revenues - property taxes	15,907,726	-	-	15,907,726
Total deferred inflows of resources	15,907,726	-	-	15,907,726
Fund balances				
Nonspendable	203,710	-	-	203,710
Restricted for emergencies	556,715	-	-	556,715
Committed:				
Capital projects	-	12,985,349	2,251,888	15,237,237
Unassigned	8,909,281	-	-	8,909,281
Total fund balances	9,669,706	12,985,349	2,251,888	24,906,943
Total liabilities, deferred inflows of resources and fund balances	$ 26,576,007	$ 16,353,590	$ 2,251,888	$ 45,181,485

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

Windsor Severance Fire Protection District
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
December 31, 2025

Total fund balances		$ 24,906,943
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	$ 31,462,815	
Less accumulated depreciation/amortization	(7,781,132)	
		23,681,683
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as a liability in the funds as follows:		
Accrued interest		(9,306)
Accrued compensated absences		(1,258,561)
Net pension liability		(1,537,047)
Financed purchase		(4,898,000)
Subscription-based information technology arrangements		(4,835)
Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future reporting periods and therefore, are not reported in the funds.		
Deferred outflows of resources	3,065,641	
Deferred inflows of resources	(883,772)	
		2,181,869
Net position of governmental activities		$ 43,062,746

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

Windsor Severance Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2025

	General Fund	Capital Fund	Impact Fund	Total Governmental Funds
Revenues				
Taxes:				
Property taxes	$ 14,624,175	$ -	$ -	$ 14,624,175
Specific ownership taxes	657,922	-	-	657,922
Impact fees	-	-	355,524	355,524
Charges for services	907,397	-	-	907,397
Intergovernmental	12,285	-	-	12,285
Investment earnings	336,612	765,863	85,890	1,188,365
Other revenue	93,879	-	-	93,879
Total revenues	16,632,270	765,863	441,414	17,839,547
Expenditures				
Public safety-fire protection and emergency medical services				
Current:				
Personnel costs	11,776,109	-	-	11,776,109
Buildings and land	279,217	-	-	279,217
Vehicle and equipment	509,973	-	-	509,973
Communications and IT	207,421	-	-	207,421
Travel and training	297,160	-	-	297,160
Managerial costs	764,054	23,720	-	787,774
Debt service:				
Principal	462,030	-	-	462,030
Interest	145,189	-	-	145,189
Capital outlay	57,408	4,034,900	-	4,092,308
Total expenditures	14,498,561	4,058,620	-	18,557,181
Excess (deficiency) of revenues over (under) expenditures	2,133,709	(3,292,757)	441,414	(717,634)
Fund balances, January 1, 2025	7,535,997	16,278,106	1,810,474	25,624,577
Fund balances, December 31, 2025	$ 9,669,706	$ 12,985,349	$ 2,251,888	$ 24,906,943

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Windsor Severance Fire Protection District
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Funds Balances to the
Government-wide Statement of Activities
Year Ended December 31, 2025

Net change in fund balances - total governmental fund	$ (717,634)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense in the current period:	
Expenditures for capital outlays	4,092,308
Depreciation/amortization expense	(1,131,736)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension liability is measured a year before the District's report. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities:	
District pension contributions	678,207
Pension expense	(1,390,219)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Change in compensated absences	(30,549)
Change in accrued interest	822
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position. In the current year, the amount consists of:	
Financed purchases	432,000
Subscription-based information technology arrangements paid	30,030
Change in net position of governmental activities	$ 1,963,229

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Windsor Severance Fire Protection District (the "District") conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

Effective for the fiscal year ended December 31, 2025, the District implemented the provisions of GASB Statement No. 102, *Certain Risk Disclosures.* This statement requires governments to disclose certain risks that could affect the provision of services or the ability to meet obligations as they come due, including vulnerabilities due to concentrations or constraints. The implementation of this standard did not have a material impact on the District's financial statements or related note disclosures.

A. Reporting Entity

The District is a local governmental unit which was formed in 1950 and operates to provide fire protection and emergency medical services to the Windsor-Severance area within its boundaries. The District operates under the oversight of an elected five member board, which is the policy making body of the District. The day-to-day operations are supervised by the fire chief and the chief's staff.

The District has the power to issue bonds, levy taxes, bill for services and raise revenues with the power of the County government. In addition, the District has the power to expend public funds for any legitimate purpose required to further its needs. The District operates as an independent governmental agency directly responsible to the local taxpayers and voters.

B. Basis of Presentation

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between entities to enhance the usefulness of the information.

Government-wide Financial Statements – These statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall District.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include charges to customers for fire services provided, impact fees and operating grants for the purchase of new equipment.

Revenues not classified as program revenues, including internally dedicated resources, investment earnings and all taxes, are reported as general revenues.

Note 1 – Summary of Significant Accounting Policies - Continued

Fund Financial Statements – These statements provide information about the District's funds. The emphasis of fund financial statements is on the major governmental funds.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund which accounts for all financial resources except those required to be accounted for in another fund.
- The *capital fund* is used to accumulate resources for, and the payment of, capital equipment and other firefighting activities provided by the District.
- The *impact fund* is a capital projects fund used to account for financial resources to be used for defraying projected impacts on capital facilities caused by new developments.

C. Basis of Accounting

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable.

General capital asset acquisitions are reported as expenditures in the general fund and capital fund. Proceeds of general long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Property taxes, specific ownership taxes, impact fees, grants and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when cash is received by the government.

Fund Balance Classifications – Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted (which includes committed, assigned, and unassigned fund balance classifications).

The nonspendable fund balance classification includes amounts that cannot be expended because they are either not in spendable form, such as prepaid items, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

Note 1 – Summary of Significant Accounting Policies - Continued

The unrestricted fund balance category is comprised of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations approved by the District's Board of Directors, which is the highest level of decision-making authority within the District. The constraints placed on committed fund balances can only be removed or changed by the Board of Directors.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Directors has authorized the Fire Chief to make assignments of resources for specific purposes.

The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Deficits in fund balances of the other governmental funds are reported as unassigned. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use a restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

Cash and Investments – The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in local government investment pool and highly liquid investments. Investments are stated at fair value. Investment earnings are comprised primarily of interest earnings.

Fair Value Measurements – Fair value is defined as the price to sell an asset between market participants in an orderly exchange in the principal or most advantageous market for that asset.

Receivables – Receivables outstanding at year-end consist of amounts due for property taxes, specific ownership taxes and intergovernmental grants. Management periodically evaluates the collectability of receivables based on their age and collection efforts and an allowance is established for an estimated uncollectible account. Uncollectible accounts are written off after all efforts for collection have been exhausted. As of December 31, 2025, there is no allowance for uncollectible accounts.

Prepaid Items – Prepaid items are accounted for using the purchase method in the governmental fund financial statements. Under this method, expenditures are reported at the time of purchase and unexpended amounts at year-end are reported on the balance sheet as a prepaid item for informational purposes only and are offset by a fund balance reserve to indicate that they do not constitute "available spendable resources."

In the government-wide financial statements, prepaid purchases are recorded as assets when the goods or services are purchased and are expensed over the period consumed.

Capital Assets – Capital assets are reported in the government-wide financial statements at actual cost or estimated historical cost if historical records are not available. Donated capital assets are reported at acquisition value. Capital assets are assets with an initial, individual cost of $5,000 or more and an estimated useful life exceeding two years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed as incurred.

Note 1 – Summary of Significant Accounting Policies - Continued

Capital assets are depreciated/amortized using the straight-line method as follows:

Capital asset class	Estimated useful life
Land	Non-depreciable
Construction in progress	Non-depreciable
Buildings and improvements	5 to 50 years
Machinery and equipment	5 to 20 years
Vehicles	8 to 25 years
Intangibles:	
Right-to-use subscription assets	3-5 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District is reasonably certain of being exercised, then the lease asset is amortized over the useful life of the underlying asset. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying information technology (IT) assets.

Subscription-Based Information Technology Arrangements – The District recognizes subscription liabilities with an initial, individual value of $5,000 or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The District’s estimated incremental borrowing rate is 5.0%.

Compensated Absences – It is the District's policy to permit employees to accumulate unused vacation and sick time. A liability is reported for vacation and sick time that the District will pay in the future with cash or settled by noncash means. None of the liability for compensated absences is expected to be liquidated with expendable available financial resources. Accordingly, compensated absences are accrued as a liability only in the government-wide financial statements. The general fund has typically been used to liquidate the liability for compensated absences in prior years.

Deferred Outflows/Inflows of Resources – The statement of net position and balance sheet include separate sections, as appropriate, for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will be recognized as revenue in future periods.

Postemployment Benefits – For purposes of measuring the net pension liabilities or assets, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The plan's investments are reported at fair value.

Note 1 – Summary of Significant Accounting Policies - Continued

Estimates – The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the tax calendar reporting period. Actual results may differ from those estimates.

Property Tax Calendar – The District levies real and personal property taxes on December 15 of each year and attach as an enforceable lien on subject property as of January 1 of the following year. The property taxes are payable in full on April 30 or if paid in two equal installments, due on last day of February and June 15. Property taxes are considered delinquent as of June 16. Larimar and Weld Counties bill and collect the property taxes on behalf of the District and remit the collections less the Treasurer's fees, to the District on a monthly basis. As the property taxes result in an enforceable lien on the subject property, in the event the property taxes are not paid, the subject property will be sold at public auction to collect the delinquent property taxes. Accordingly, no provision is deemed necessary for uncollected taxes.

In the fund financial statements, property taxes are recognized in the year for which levied, provided they become available and measurable. In the government-wide statements, the property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, as the revenues are restricted for use for the following year.

Budgetary Accounting – The District's annual budget is prepared on a modified accrual basis for the District's funds. An annual appropriated budget is adopted for all funds. The annual appropriation lapses at the end of the District's fiscal year.

The District conforms to the following procedures, in accordance with the State of Colorado Revised Statutes in the establishment of the budgetary information reflected in the accompanying financial statements.

Prior to October 15, the District's Treasurer submits a proposed operating budget for the subsequent fiscal year to the District's board of directors. The board of directors may change the proposed budget prior to the publication of the notice of budget. Within ten days of the submission, a notice of the proposed budget is published. The operating budget includes proposed expenditures and the means of financing the expenditures.

Public hearings are held at the regular District board of directors' meetings to obtain taxpayer input on the proposed operating budget.

On or before December 15, the operating budget is legally adopted through passage of a budget resolution. Upon adoption, the District's Treasurer is authorized to transfer the budgeted amounts within the function and objects of the fund(s). The District's board of directors must approve revisions that change the total expenditures of the fund(s).

Note 1 – Summary of Significant Accounting Policies – Continued

Appropriations are controlled and the budget can only be amended in accordance with the State of Colorado Revised Statutes that allows the District to amend the budget and adopt a supplemental appropriation, if funds for a specific purpose, other than ad valorem taxes, become available. State of Colorado Statutes requires a balanced budget.

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

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. Cash equal to the required emergency reserve is reflected as restricted.

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

Note 2 – Cash and Investments

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine the eligibility. Amounts on deposit in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance levels must be collateralized. The market value of the collateral must be equal to 102% of the aggregate uninsured public deposits.

Cash on Hand and Deposits – At December 31, 2025, the District's carrying amount of the total cash in bank was $1,030,205, and the bank balance was $1,030,205. Of these balances, $250,000 was covered by FDIC and the remaining balance was covered by collateral held by authorized escrow agents in the financial institutions name.

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

- certificates of deposit with an original maturity in excess of three months,
- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- certain money market funds, and
- participation in local government investment pools.

The investments of the District are authorized for all fund and fund types used by Colorado municipalities.

Note 2 – Cash and Investments – Continued

The District had total investments of $24,373,640 at December 31, 2025. The District categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted account principles as follows:

		Fair value measurement using		
	Amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level				
U.S. agency securities	$ 1,079,447	$ 1,079,447	$ -	$ -
Local government bonds	3,970,662	3,970,662	-	-
Total investments categorized by fair value level	$ 5,050,109	$ 5,050,109	$ -	$ -

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

In addition, the District has $15,598,859 in the Colorado Surplus Asset Fund Trust ("CSAFE") measured at fair value as of December 31, 2025. The investments are valued at the pool's share price multiplied by the number of shares the District holds. The fair value of a participants position in the pools approximates the value of that the participants pool shares.

The District also had $3,724,672 in certificates of deposit measured at amortized cost as of December 31, 2025.

Credit Risk – At December 31, 2025, credit risk of the District's investments, rated by Standard and Poor's was as follows:

Investment type	Rating	Amount
U.S. agency securities	AA+	$ 1,079,447
Local government bonds	AAA	629,256
Local government bonds	AA+	1,913,751
Local government bonds	AA	1,427,655
CSAFE	AAA	15,598,859
Certificates of deposit	Unrated	3,724,672
		$ 24,373,640

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Note 2 – Cash and Investments – Continued

Interest Rate Risk – Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2025, the District had the following investments:

		Investment maturities	
Investment Type	**Amount**	**Less than 1 Year**	**1-5 years**
U.S. agency securities	$ 1,079,447	$ 1,079,447	$ -
Local government bonds	3,970,662	-	3,970,662
Certificates of deposit	3,724,672	970,966	2,753,706
CSAFE	15,598,859	15,598,859	-
	$ 24,373,640	$ 17,649,272	$ 6,724,368

Foreign Currency Risk – The District does not have a formal investment policy with respect to foreign currency risk because state statutes do not allow for foreign investments.

A reconciliation of total cash and investments to amounts shown on the statement of net position is as follows:

Type	**Amount**
Carrying amount deposits	$ 1,030,205
Investments	24,373,640
	$ 25,403,845

Note 3 – Capital Assets

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

	Balance, January 1, 2025	Increases	Decreases	Balance, December 31, 2025
Capital assets not being depreciated/amortized:				
Land	$ 1,386,334	$ 1,572,628	$ -	$ 2,958,962
Construction in progress	44,863	-	(44,863)	-
Total capital assets not being depreciated/amortized	1,431,197	1,572,628	(44,863)	2,958,962
Capital assets being depreciated/amortized:				
Buildings and improvements	16,864,400	20,568	-	16,884,968
Machinery and equipment	1,726,238	702,546	-	2,428,784
Vehicles	7,262,649	1,841,429	-	9,104,078
Intangibles:				
Right-to-use subscription assets	86,023	-	-	86,023
Total capital assets being depreciated/amortized	25,939,310	2,564,543	-	28,503,853
Less accumulated depreciation/amortization for:				
Buildings and improvements	(2,785,051)	(427,291)	-	(3,212,342)
Machinery and equipment	(1,092,061)	(115,296)	-	(1,207,357)
Vehicles	(2,735,797)	(559,747)	-	(3,295,544)
Intangibles:				
Right-to-use subscription assets	(36,487)	(29,402)	-	(65,889)
Total accumulated depreciation/amortization	(6,649,396)	(1,131,736)	-	(7,781,132)
Total capital assets being depreciated/amortized, net	19,289,914	1,432,807	-	20,722,721
Total capital assets, net	$ 20,721,111	$ 3,005,435	$ (44,863)	$ 23,681,683

Governmental activities depreciation/amortization expense in the amount of $1,131,736 was charged to the public safety function of the District.

Note 4 – Long-Term Liabilities

A summary of the changes in long-term liabilities for the year ended December 31, 2025, follows:

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due Within 1 Year
Net pension liability	$ 1,204,273	$ 332,774	$ -	$ 1,537,047	$ -
Compensated absences	1,228,012	*30,549	-	1,258,561	574,620
Financed purchase	5,330,000	-	(432,000)	4,898,000	442,000
Subscription liabilities	34,865	-	(30,030)	4,835	4,835
	$ 7,797,150	$ 363,323	$(462,030)	$ 7,698,443	$ 1,021,455

*The change in compensated absences is reported at net.

The general fund is used to liquidate the liabilities for the net pension liability and compensated absences in prior years.

Financed Purchase – The District entered a financed purchase agreement dated March 2, 2021, for the construction of Station 4 in Severance, Colorado. The agreement is secured by the station. The total cost of the construction of the station totaled $8,351,616. The following schedule details minimum lease payments to maturity for the District's financed purchase at December 31, 2025:

Year ending December 31,	Principal	Interest	Total
2026	$ 442,000	$ 111,674	$553,674
2027	452,000	101,597	553,597
2028	462,000	91,291	553,291
2029	472,000	80,758	552,758
2030	483,000	69,986	552,986
2031 - 2035	2,587,000	179,618	2,766,618
	$ 4,898,000	$ 634,924	$ 5,532,924

Subscription-Based Information Technology Arrangements – The District has entered into a subscription-based information technology arrangement (SBITA) for various software. The total amount of the District's subscription assets were $86,023, net of $65,889 in accumulated amortization as of December 31, 2025.

Note 4 – Long-Term Liabilities - Continued

The following schedule details minimum subscription payments to maturity for the District's subscription liability as of December 31, 2025:

Year ending December 31,	Principal	Interest	Total
2026	$ 4,835	$ 781	$ 5,616
	$ 4,835	$ 781	$ 5,616

Note 5 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 6 – Commitments

The District is party to a variety of intergovernmental agreements entered into in the ordinary course of business pursuant to which it may be obligated to provide services outside of its geographic boundaries and/or receive assistance from other parties. As part of these agreements, the District is obligated to indemnify other parties for certain liabilities that arise out of, or relate to, the subject matter of the agreements.

Note 7 – Employee Retirement System

The District contributes to the plans described below. At December 31, 2025, the District reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) to which it contributes:

	Volunteer Firefighters' Pension Plan	Statewide Defined Benefit Plan	Total
Net pension liability	$ 1,537,047	$ -	$ 1,537,047
Deferred outflows of resources	192,293	2,873,348	3,065,641
Deferred inflows of resources	143,918	739,854	883,772
Pension expense	480,809	909,410	1,390,219

The District's accrued payroll and employee benefits includes $37,578 of outstanding pension contribution amounts payable for the year ended December 31, 2025.

Note 7 – Employee Retirement System - Continued

A. Volunteer Firefighters' Pension Plan

The District has established the Windsor-Severance Fire Protection District Pension Fund, a defined benefit volunteer firefighters' pension plan (the "Plan"). The plan is affiliated with and administered by the Colorado Fire and Police Pension Association ("FPPA").

Description of the Plan – The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at FPPAco.org.

Benefits provided – The benefit, payable at age 50 with 20 years of experience, is payable monthly in the amount of $960. The amount would be prorated based upon the number of years of service accrued at termination, with a minimum vesting of 10 years. Surviving spouses of deceased retirees are entitled to 50% of the retirement benefit until remarriage or their death. Pre-retirement death and disability benefits are only available if incurred in the line of duty. The plan also provides for a lump-sum burial benefit upon death of an active or retired firefighter.

Employees covered by benefit terms – As of December 31, 2025, the most recent actuarial valuation date, the membership of the Windsor-Severance Fire Protection District Pension Plan is:

Retirees and beneficiaries	44
Inactive, non-retired members	2
Active	0
Total participants	46

Contributions – In accordance with funding agreements and actuarial studies, the District contributes amounts to FPPA. The plan members do not make contributions. Also, the State of Colorado may make annual contributions to the Plan in amounts established by State Statutes. During the year ended December 31, 2025, the District contributed $0 to the plan.

Liability – At December 31, 2025, the District reported a liability of $1,537,047. The net assets and liabilities were measured as of December 31, 2024, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

Note 7 – Employee Retirement System - Continued

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	December 31, 2024
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	2.5%
Investment rate of return	7.0%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality rates	**Pre-retirement**: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.
	Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.
	Disabled: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

The long-term expected rate of return on pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses 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.

Note 7 – Employee Retirement System - Continued

The target allocation and best estimates of rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Liquidity	4%	4.2%
Fixed income – rates	7%	5.0%
Fixed income – credit	7%	6.5%
Diversifiers	9%	5.7%
Equity Long/Short	6%	6.2%
Global Public Equity	33%	7.0%
Private Market	34%	8.8%
Total	100%	

Discount Rate – At December 31, 2025, the discount rate used to measure the FPPA total pension liability is 6 percent. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates. Based on these assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefits payments of current plan members.

Changes in net pension liability Pension	**Increase (Decrease)**		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
Balances at December 31, 2024	$ 4,007,870	$ 2,803,597	$ 1,204,273
Changes for the current year:			
Service cost	2,517	-	2,517
Interest on the total pension liability	268,033	-	268,033
Benefit changes	161,384	-	161,384
Difference between expected and actual experience	(158,643)	-	(158,643)
Changes to assumptions	362,434	-	362,434
Net investment income	-	257,597	(257,597)
Benefit payments	(366,320)	(366,320)	-
Pension plan administrative expense	-	(14,270)	14,270
State of Colorado supplemental discretionary payment	-	59,624	(59,624)
Net changes	269,405	(63,369)	332,774
Balances at December 31, 2025	$ 4,277,275	$ 2,740,228	$ 1,537,047

Note 7 – Employee Retirement System - Continued

Sensitivity of the Districts net pension liability to changes in the discount rate – The following table presents the District's net pension (asset) liability calculated using a discount rate of 6%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5%), or 1 percentage point higher (7%) than the current rate:

	1% Decrease 5%	Current Discount Rate 6%	1% Increase 7%
Net pension liability	$ 1,966,658	$ 1,537,047	$ 1,174,613

Expense – For the year ended December 31, 2025, the District recognized pension expense of $480,809 related to this plan.

Deferred Outflows/Inflows of Resources – At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 192,293	$ 143,918
Total	$ 192,293	$ 143,918

The amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

Year Ending December 31,	Pension
2026	$ 22,523
2027	68,238
2028	(27,909)
2029	(14,477)

<u>Note 7 – Employee Retirement System - Continued</u>

B. Statewide Defined Benefit Plan (SWDB)

The District also participates in the Statewide Defined Benefit Plan (the "Plan"), a defined benefit pension plan. The Plan is affiliated with and administered by the Colorado Fire and Police Pension Association ("FPPA").

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

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1888, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

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

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

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

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

Benefits Provided – A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, 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)

Note 7 – Employee Retirement System - Continued

The annual normal retirement benefit is 2.0 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007, for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDB Plan").

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.

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. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

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

Members of the Defined Benefit Component contribute 12.0 percent of the base salary. In 2020, legislation was enacted to increase the employer contribution 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 the base salary. These increases result in a combined contribution rate of 25.0 percent of the base salary in 2030. In 2024, the total combined members and employer contribution rate was 22.0 percent.

Contributions from Defined Benefit Component members, and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer, or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Note 7 – Employee Retirement System - Continued

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 the base salary. These increases result in a combined contribution rate of 12.5 percent of the base salary in 2030. In 2024, total combined member and employer contribution rate was 11.0 percent.

Total pension contributions made during the year were $678,207. The District's pension contributions are paid from the general fund.

Liability – At December 31, 2025, the District reported liabilities of $0. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions, actuarially determined. As of December 31, 2025, the District's proportion was 0.6220 percent, which was an increase of 0.0400 from its proportion measured as of December 31,2024.

Expense – For the year ended December 31, 2025, the District recognized pension expense of $909,410.

Deferred outflows/inflows of resources – At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,447,893	$ 46,752
Changes of assumptions or other inputs	534,919	-
Net difference between projected and actual earnings on plan investments	212,329	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	693,102
District contributions subsequent to the measurement date	678,207	-
Total	$ 2,873,348	$ 739,854

The $678,207 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Note 7 – Employee Retirement System - Continued

Year Ending December 31,	Pension
2026	$ 478,687
2027	770,636
2028	(68,656)
2029	(26,122)
2030	106,115
Thereafter	194,627

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	January 1, 2024
Actuarial cost method	Entry age normal
Amortization method	N/A
Amortization period	N/A
Investment rate of return	7.0%
Wage inflation	4.25% - 11.75%
Price inflation	2.5%
Cost-of-living adjustment	0.00%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in December 31, 2024, valuation was based on the results of an actuarial experience study for the 5-year period ended December 31, 2021.

The long-term expected rate of return on the plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private markets	34%	8.80%
Fixed income – rates	7%	5.00%
Fixed income – credit	7%	6.50%
Absolute return	9%	5.70%
Cash	4%	4.20%
Total	100%	

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Note 7 – Employee Retirement System - Continued

Discount Rate – At December 31, 2024, the discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at a current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the District's proportionate share of the net pension/OPEB (assets) liabilities calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension (asset) liability	$ 3,035,275	$ -	$ -

The net position liability of $0 reflects a reserve for cost of living adjustments and to manage adverse experience of $894,164 at a 7.0% discount rate and $4,148,105 at an 8.0% discount rate.

Note 8 – Interfund Activity

Interfund receivables and payables – As of December 31, 2025, the capital projects fund reported a payable to the general fund and impact fund in the amount of $3,356,407 and $11,834, respectively, due to the general fund payments for capital outlays in the capital projects fund.

Interfund transfers – During the year ended December 31, 2025, there were no transfers between the funds for current and future capital expenditures.

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Required Supplementary Information

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Windsor Severance Fire Protection District
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes:			
Property taxes	$ 14,703,559	$ 14,624,175	$ (79,384)
Specific ownership taxes	700,000	657,922	(42,078)
Charges for service	825,000	907,397	82,397
Intergovernmental	500,000	12,285	(487,715)
Investment earnings	350,000	336,612	(13,388)
Other revenue	102,500	93,879	(8,621)
Total revenues	17,181,059	16,632,270	(548,789)
Expenditures			
Public safety-fire protection and emergency medical services:			
Current:			
Personnel costs	12,069,414	11,776,109	293,305
Buildings and land	218,921	279,217	(60,296)
Vehicle and equipment	589,345	509,973	79,372
Communications and IT	255,753	207,421	48,332
Travel and training	350,234	297,160	53,074
Managerial costs	836,149	764,054	72,095
Other	500,000	-	500,000
Debt service:			
Principal	451,590	462,030	(10,440)
Interest	121,524	145,189	(23,665)
Capital outlay	-	57,408	(57,408)
Total expenditures	15,392,930	14,498,561	894,369
Excess of revenues over expenditures	1,788,129	2,133,709	345,580
Other financing sources (uses)			
Proceeds from sale of capital assets	150,000	-	(150,000)
Transfers out	(1,938,129)	-	1,938,129
Total other financing sources (uses)	(1,788,129)	-	1,788,129
Net change in fund balances	-	2,133,709	2,133,709
Fund balances, January 1, 2025	-	7,535,997	7,535,997
Fund balances, December 31, 2025	$ -	$ 9,669,706	$ 9,669,706

See accompanying notes to the
budgetary comparison schedule.

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Windsor Severance Fire Protection District
Required Supplementary Information
Notes to Budgetary Comparison Schedule
Year ended December 31, 2025

Note 1 – Budgeting and Budgetary Control

State of Colorado Revised Statutes requires the District to prepare and adopt a balanced budget annually for its general fund. The Board of Directors must approve such operating budget on or before October 15 to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on December 15. State statute prohibits expenditures or liabilities in excess of the amount budgeted. Expenditures may not legally exceed appropriations at the fund level.

Note 2 – Budgetary Requirements and Basis of Accounting

The District's budget is prepared on a basis of accounting consistent with U.S. generally accepted accounting principles. A budgetary comparison schedule for the general fund is included as required supplementary information to provide meaningful comparison of actual results to budget. The Board is responsible for approving the budget on an annual basis.

Note 3 – Expenditures in Excess of Appropriations

For the year ended December 31, 2025, expenditures exceeded final budget amounts in the general fund for the following line items:

Capital outlay	$	57,408
Buildings and land		60,296
Debt service – interest		23,665
Debt service – principal		10,440

The excesses for the capital outlay and debt service were primarily due to not budgeting for the effects of entering into subscription arrangements. The excesses for the remaining items above expenditures were primarily the result of incurring unexpected expenditures. In addition, the District monitors expenses on an ongoing basis to ensure that expenditures are within the budget.

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Windsor Severance Fire Protection District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Cost-Sharing Plans
December 31, 2025

Statewide Defined Benefit Plan	**Reporting Fiscal Year (measurement date)**									
	2025 (2024)	**2024 (2023)**	**2023 (2022)**	**2022 (2021)**	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**
District's proportion of the net pension liability	0.62199%	0.58204%	0.57560%	0.54000%	0.44500%	0.43600%	0.33100%	0.36800%	0.40600%	0.35900%
District's proportionate share of the net pension liability (asset)	$ -	$ -	$ 510,899	$ (2,924,460)	$ (966,714)	$ (246,805)	$ 417,847	$ (526,206)	$ 146,547	$ (6,323)
District's covered payroll	$ 5,432,340	$ 5,996,526	$ 5,016,935	$ 4,353,421	$ 3,576,563	$ 3,216,325	$ 2,213,900	$ 2,139,450	$ 2,075,625	$ 1,738,688
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	10.18%	-67.18%	-27.03%	-7.67%	18.87%	-24.60%	7.06%	-0.36%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.00%	97.60%	116.20%	106.80%	101.90%	95.20%	106.30%	98.20%	100.10%

See accompanying notes to plan schedules.

Windsor Severance Fire Protection District
Required Supplementary Information
Schedule of Changes in the District's Net Pension Liability and Related Ratios
Agent Pension Plan
December 31, 2025

Volunteer Pension Fund

	Reporting fiscal year (measurement date)									
	2025 (2024)	**2024 (2023)**	**2023 (2022)**	**2022 (2021)**	**2021 (2020)**	**2020 (2019)**	**2019 (2018)**	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**
Total pension liability										
Service cost	$ 2,517	$ 2,517	$ 3,393	$ 3,393	$ 3,210	$ 3,210	$ 4,922	$ 4,922	$ 31,525	$ 31,525
Interest on total pension liability	268,033	273,600	266,055	271,158	258,032	260,866	238,009	240,858	224,526	224,809
Changes of benefit terms	161,384	-	152,921	-	221,088	456,794	-	-	213,881	-
Difference between expected and actual experience in the measurement of the pension liability	(158,643)	-	(4,201)	-	35,598	-	20,111	-	(53,506)	-
Changes of assumptions or other inputs	362,434	-	37,833	-	-	-	124,829	-	91,012	-
Benefit payments, including refunds of employee contributions	(366,320)	(345,312)	(350,196)	(344,785)	(316,695)	(292,845)	(288,132)	(279,550)	(273,801)	(246,898)
Net change in pension liability	269,405	(69,195)	105,805	(70,234)	201,233	428,025	99,739	(33,770)	233,637	9,436
Total pension liability - beginning	4,007,870	4,077,065	3,971,260	4,041,494	3,840,261	3,412,236	3,312,497	3,346,267	3,112,630	3,103,194
Total pension liability - ending (a)	$ 4,277,275	$ 4,007,870	$ 4,077,065	$ 3,971,260	$ 4,041,494	$ 3,840,261	$ 3,412,236	$ 3,312,497	$ 3,346,267	$ 3,112,630
Plan fiduciary net position										
Contributions - employer	$ -	$ 66,249	$ 66,249	$ 66,982	$ 66,249	$ 66,249	$ 66,249	$ 66,249	$ 66,249	$ 132,498
Net investment income	257,597	252,037	(260,970)	434,229	348,720	376,066	2,845	377,237	137,346	49,940
Benefit payments, including refunds of employee contributions	(366,320)	(345,312)	(350,196)	(344,785)	(316,695)	(292,845)	(288,132)	(279,550)	(273,801)	(246,898)
Administrative expenses	(14,270)	(16,424)	(12,386)	(12,890)	(9,688)	(11,286)	(11,185)	(11,884)	(4,390)	(6,375)
State of Colorado supplemental discretionary contribution	59,624	119,248	-	119,248	59,624	-	59,624	59,624	59,624	59,624
Net change in plan fiduciary net position	(63,369)	75,798	(557,303)	262,784	148,210	138,184	(170,599)	211,676	(14,972)	(11,211)
Plan fiduciary net position - beginning	2,803,597	2,727,799	3,285,102	3,022,318	2,874,108	2,735,924	2,906,523	2,694,847	2,709,819	2,721,030
Plan fiduciary net position - ending (b)	$ 2,740,228	$ 2,803,597	$ 2,727,799	$ 3,285,102	$ 3,022,318	$ 2,874,108	$ 2,735,924	$ 2,906,523	$ 2,694,847	$ 2,709,819
District's net pension liability - ending (a) - (b)	$ 1,537,047	$ 1,204,273	$ 1,349,266	$ 686,158	$ 1,019,176	$ 966,153	$ 676,312	$ 405,974	$ 651,420	$ 402,811
Plan fiduciary net position as a percentage of the total pension liability	64.06%	69.95%	66.91%	82.72%	74.78%	74.84%	80.18%	87.74%	80.53%	87.06%
Covered-employee 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-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying notes to pension plan schedules.

Windsor Severance Fire Protection District
Required Supplementary Information
Schedule of District Pension Contributions
Year Ended December 31, 2025

Volunteer Pension Fund	Reporting Fiscal Year 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 143,634	$ 143,634	$ 136,285	$ 126,606	$ 126,606	$ 53,941	$ 53,941	$ 66,190	$ 90,859	$ 90,859
District's contributions in relation to the actuarially determined contribution*	$ -	$ 59,624	$ 185,497	$ 186,230	$ 125,873	$ 66,249	$ 125,873	$ 125,873	$ 125,873	$ 125,873
District's contribution deficiency (excess)	$ 143,634	$ 84,010	$ (49,212)	$ 59,624	$ (733)	$ 12,308	$ 71,932	$ 59,683	$ 35,014	$ 35,014
District's covered payroll**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's contributions 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

* Includes both employer contribution and State of Colorado Supplemental Discretionary payment.
** Ratio not applicable since payroll is zero due to the plan covering volunteers.

Statewide Defined Benefit Plan	Reporting Fiscal Year 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	$ 678,207	$ 543,234	$ 569,670	$ 450,694	$ 369,255	$ 286,125	$ 257,306	$ 177,112	$ 171,156	$ 166,050
District's contributions in relation to the statutorily determined contributions	$ 678,207	$ 543,234	$ 569,670	$ 450,694	$ 369,255	$ 286,125	$ 257,306	$ 177,112	$ 171,156	$ 166,050
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,459,114	$ 5,432,340	$ 5,996,526	$ 5,016,935	$ 4,353,421	$ 3,576,563	$ 3,216,325	$ 2,213,900	$ 2,139,450	$ 2,075,625
District's contributions as a percentage of covered payroll	10.5%	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%

See accompanying notes to pension plan schedules.

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Other Supplementary Information

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Windsor Severance Fire Protection District
Other Supplementary Information
Budgetary Comparison Schedule
Capital Fund
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment earnings	$ -	$ 765,863	$ 765,863
Total revenues	-	765,863	765,863
Expenditures			
Public safety-fire protection and emergency medical services:			
Current:			
Managerial costs	-	23,720	(23,720)
Capital outlay	6,624,976	4,034,900	2,590,076
Total expenditures	6,624,976	4,058,620	2,566,356
Excess (deficiency) of revenues over (under) expenditures	(6,624,976)	(3,292,757)	3,332,219
Other financing sources:			
Financed purchase agreement	15,000	-	(15,000)
Transfers in	1,500,000	-	(1,500,000)
Total other financing sources	1,515,000	-	(1,515,000)
Net change in fund balance	(5,109,976)	(3,292,757)	1,817,219
Fund balance, January 1, 2025	15,307,288	16,278,106	970,818
Fund balance, December 31, 2025	$ 10,197,312	$ 12,985,349	$ 2,788,037

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Windsor Severance Fire Protection District
Other Supplementary Information
Budgetary Comparison Schedule
Impact Fund
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Impact fees	$ 500,000	$ 355,524	$ (144,476)
Investment earnings	-	85,890	85,890
Total revenues	500,000	441,414	(58,586)
Expenditures			
Public safety-fire protection and emergency medical services:			
Capital outlay	500,000	-	500,000
Total expenditures	500,000	-	500,000
Net change in fund balance	-	441,414	441,414
Fund balance, January 1, 2025	2,019,196	1,810,474	(208,722)
Fund balance, December 31, 2025	$ 2,019,196	$ 2,251,888	$ 232,692

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Statistical Section

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Statistical Section

This part of the annual comprehensive financial report of the District presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health of the District.

This section contains the following tables and information:

Financial Trends
These schedules contain trend information to help the reader understand how the financial performance and well-being of the District have changed over time.

Revenue Capacity
These schedules contain information to help the reader assess the most significant local revenue source of the District – the property tax.

Debt Capacity
These schedules present information to help the reader assess the affordability of the current levels of outstanding debt of the District and its ability to issue additional debt in the future.

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the financial activities of the District take place.

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the financial report of the District relates to the services the District provides and the activities it performs.

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Windsor Severance Fire Protection District
Net Position By Component
Last ten (10) fiscal years (as of December 31)
(accrual basis of accounting)

	2025	2024	2023 (as restated)	2022	2021	2020	2019	2018	2017	2016
NET POSITION										
Net investments in capital assets	$ 18,778,848	$ 15,356,246	$ 14,130,368	$ 14,127,578	$ 8,320,111	$ 10,579,776	$ 7,073,284	$ 7,415,789	$ 5,596,982	$ 5,993,341
Restricted	556,715	464,322	364,468	2,528,967	339,534	392,921	304,078	690,214	655,851	597,907
Unrestricted	23,727,183	25,278,949	17,191,218	13,014,609	17,695,838	12,241,092	10,984,017	7,580,705	6,972,920	4,636,619
Total governmental activities net position	$ 43,062,746	$ 41,099,517	$ 31,686,054	$ 29,671,154	$ 26,355,483	$ 23,213,789	$ 18,361,379	$ 15,686,708	$ 13,225,753	$ 11,227,867

NOTE: The 2023 amounts were restated due to the implementation of GASB Statement 101, *Compensated Absecences* in 2024.

SOURCE: The schedules on pages 45 through 48 were prepared using current and prior year audited financial statements.

Windsor Severance Fire Protection District
Changes in Net Position
Last ten (10) fiscal years (as of December 31)
(accrual basis of accounting)

	2025	2024	2023 (as restated)	2022	2021	2020	2019	2018	2017	2016
Program expenses										
Governmental activities										
Public safety	$ 15,731,951	$ 14,099,829	$ 12,297,644	$ 9,601,957	$ 9,198,009	$ 8,515,157	$ 7,243,139	$ 4,994,517	$ 5,059,304	$ 4,914,209
Interest on long-term debt	144,367	152,715	162,438	154,700	156,114	39,414	72,085	-	-	-
Total primary government expenses	15,876,318	14,252,544	12,460,082	9,756,657	9,354,123	8,554,571	7,315,224	4,994,517	5,059,304	4,914,209
Program revenues										
Governmental activities										
Charges for services	907,397	1,160,701	912,676	1,533,859	1,056,162	709,987	480,460	787,706	496,266	215,135
Impact fees	355,524	486,069	314,523	915,982	159,038	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	71,465	71,465	71,465
Operating grants and contributions	12,285	127,559	46,098	279,340	122,963	210,961	358,532	110,695	28,739	5,727
Total primary government program revenues	1,275,206	1,774,329	1,273,297	2,729,181	1,338,163	920,948	838,992	969,866	596,470	292,327
Net(expense)/revenue:										
Total primary government net expense	(14,601,112)	(12,478,215)	(11,186,785)	(7,027,476)	(8,015,960)	(7,633,623)	(6,476,232)	(4,024,651)	(4,462,834)	(4,621,882)
General Revenues and Other Changes in Net position										
Governmental activities:										
Property taxes	14,624,175	18,685,268	11,889,891	9,252,544	10,244,100	12,112,471	8,763,104	5,990,919	5,889,361	5,521,402
Specific ownership taxes	657,922	754,912	562,424	567,457	589,647	-	-	477,541	481,323	369,205
State property tax backfill	-	983,906	-	-	-	-	-	-	-	-
Investment earnings	1,188,365	1,192,643	833,543	289,504	237,197	179,213	-	101,245	48,224	8,789
Other	93,879	166,949	218,969	233,642	86,710	123,797	43,281	77,426	41,812	7,271
Donation	-	-	-	-	-	-	20,456	-	-	-
Gain on sale of assets	-	108,000	57,235	-	-	-	324,062	-	-	-
Transfer	-	-	-	-	-	-	-	(17,898)	-	-
Total primary government	16,564,341	21,891,678	13,562,062	10,343,147	11,157,654	12,415,481	9,150,903	6,629,233	6,460,720	5,906,667
Change in Net Position										
Total primary government	$ 1,963,229	$ 9,413,463	$ 2,375,277	$ 3,315,671	$ 3,141,694	$ 4,781,858	$ 2,674,671	$ 2,604,582	$ 1,997,886	$ 1,284,785

Windsor Severance Fire Protection District
Fund Balances of Governmental Funds
Last ten (10) fiscal years (as of December 31)
(modified accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund										
Nonspendable	$ 203,710	$ 167,854	$ 48,465	$ 118,458	$ 59,573	$ 59,481	$ 33,408	$ 65,447	$ 65,447	$ 61,277
Restricted for emergencies	556,715	464,322	364,468	356,528	277,121	388,896	272,000	216,000	199,000	174,000
Restricted for IGA maintenance	-	-	-	-	-	-	-	34,869	36,206	32,163
Committed	-	-	-	-	1,739,770	-	-	-	-	-
Unassigned	8,909,281	6,903,821	5,147,090	5,108,241	7,222,770	5,961,523	2,758,412	6,977,860	5,575,758	3,710,448
Total general fund	9,669,706	7,535,997	5,560,023	5,583,227	9,299,234	6,409,900	3,063,820	7,294,176	5,876,411	3,977,888
All other governmental funds										
Restricted:										
Debt service funds	-	-	-	-	62,413	4,025	32,078	439,345	420,645	391,744
Capital project funds	-	-	-	-	8,813,989	6,336,355	6,500,000	-	-	-
Committed	15,237,237	18,088,580	11,815,285	9,013,293	-	-	-	-	-	-
Total all other governmental funds	15,237,237	18,088,580	11,815,285	9,013,293	8,876,402	6,340,380	6,532,078	439,345	420,645	391,744
Total governmental funds										
General Fund	9,669,706	7,535,997	5,560,023	5,583,227	9,299,234	6,409,900	3,063,820	7,294,176	5,876,411	3,977,888
Other Governmental Funds	15,237,237	18,088,580	11,815,285	9,013,293	8,876,402	6,340,380	6,532,078	439,345	420,645	391,744
Total	$ 24,906,943	$ 25,624,577	$ 17,375,308	$ 14,596,520	$ 18,175,636	$ 12,750,280	$ 9,595,898	$ 7,733,521	$ 6,297,056	$ 4,369,632

NOTE: The District maintains three governmental funds; the General Fund, Capital Fund and Impact Fund.

Windsor Severance Fire Protection District
Statement of Changes in Fund Balances
Last ten (10) fiscal years (as of December 31)
(modified accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes:										
Property taxes	$ 14,624,175	$ 18,685,268	$ 11,889,891	$ 9,183,644	$ 10,244,100	$ 12,112,471	$ 8,763,104	$ 6,468,461	$ 6,370,684	$ 5,890,607
Specific ownership taxes	657,922	754,912	562,424	567,457	589,647	-	-	-	-	-
State property tax backfill	-	983,906	-	-	-	-	-	-	-	-
Impact fees	355,524	486,069	314,523	915,982	159,038	-	-	-	-	-
Charges for services	907,397	1,160,701	912,676	1,533,859	1,056,162	709,987	480,460	787,706	496,266	215,135
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	12,285	151,157	91,403	279,340	122,963	210,961	197,567	182,160	100,204	77,192
Donations	-	-	-	-	-	-	160,965	-	-	-
Investment earnings	1,188,365	1,192,643	833,543	289,504	237,197	179,213	20,456	101,245	48,224	8,789
Other revenue	93,879	166,949	218,969	298,054	86,710	131,145	43,281	77,425	41,812	7,271
Total revenues	17,839,547	23,581,605	14,823,429	13,067,840	12,495,817	13,343,777	9,665,833	7,616,997	7,057,190	6,198,994
Expenditures										
Administration	-	-	-	-	-	-	2,182,494	1,651,024	1,464,375	1,371,464
Museum	-	-	-	-	-	-	10,620	12,496	11,875	2,991
Firefighting	-	-	-	-	-	-	3,582,431	2,773,367	2,696,635	2,351,199
Medical rescue services	-	-	-	-	-	-	21,684	6,640	9,531	17,343
Fire prevention	-	-	-	-	-	-	247,912	115,006	93,048	85,088
Health and safety	-	-	-	-	-	-	13,653	16,399	18,752	22,431
Personnel costs	11,776,109	10,796,486	8,934,894	8,064,509	6,803,063	6,136,460	-	-	-	-
Buildings and land	279,217	264,231	239,832	318,439	209,915	171,687	206,109	156,494	225,380	219,359
Vehicle and equipment	509,973	484,741	572,886	549,959	542,078	261,141	182,530	156,082	124,004	94,833
Communications and IT	207,421	227,478	255,574	241,917	229,273	147,315	62,236	56,785	36,769	28,129
Travel and training	297,160	244,367	280,169	212,005	224,347	124,963	-	-	-	-
Managerial costs	787,774	846,969	729,655	572,750	612,562	702,983	-	-	-	-
Other	-	159,894	26,912	-	-	-	48,777	-	-	-
Debt service:										
Debt issuance costs	-	-	-	-	26,847	-	-	-	-	-
Principal	462,030	454,439	431,720	719,000	781,000	335,000	755,000	393,019	398,694	3,078,500
Interest	145,189	153,516	159,400	162,724	145,857	45,572	72,085	-	-	-
Capital outlay	4,092,308	1,845,266	517,895	5,910,403	4,495,519	2,264,274	741,987	974,232	50,703	191,402
Total expenditures	18,557,181	15,477,387	12,148,937	16,751,706	14,070,461	10,189,395	8,127,518	6,311,544	5,129,766	7,462,739
Excess of revenues over (under) expenditures	(717,634)	8,104,218	2,674,492	(3,683,866)	(1,574,644)	3,154,382	1,538,315	1,305,453	1,927,424	(1,263,745)
Other financing sources (uses)										
Capital lease proceeds	-	-	-	-	7,000,000	-	-	-	-	-
Subscription-based information technology arrangements	-	37,051	48,972	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	108,000	55,324	104,750	-	-	324,062	-	-	-
Transfer in	-	6,900,000	6,468,923	5,349,943	139,179	2,116,206	6,500,000	-	-	-
Transfer out	-	(6,900,000)	(6,468,923)	(5,349,943)	(139,179)	(2,116,206)	(6,500,000)	(17,898)	-	-
Total other financing sources (uses)	-	145,051	104,296	104,750	7,000,000	-	324,062	(17,898)	-	-
Net change in fund balances	$ (717,634)	$ 8,249,269	$ 2,778,788	$ (3,579,116)	$ 5,425,356	$ 3,154,382	$ 1,862,377	$ 1,287,555	$ 1,927,424	$ (1,263,745)
Debt Service as a percentage of noncapital expenditures	4.20%	4.46%	5.08%	8.13%	9.68%	4.80%	11.20%	7.36%	7.85%	42.34%

Windsor Severance Fire Protection District
Assessed and Estimated Actual Value of Taxable Property
Last ten (10) fiscal years (as of December 31)

Fiscal year ended December 31,	Vacant Land	Residential	Commercial	Industrial	Agriculture	Oil and Gas	State Assessed	Mineral	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value	Assessed value as a % of actual Value
2016	$ 25,581,078	$ 290,182,302	$ 78,642,974	$ 102,188,624	$ 9,531,472	$ 200,615,008	$ 19,703,840	$ 1,398,050	$ 48,935,751	$ 678,907,597	$ 7.2480	$ 4,720,558,417	14.38%
2017	22,439,333	304,689,884	80,454,885	105,333,708	9,609,203	227,918,258	22,526,990	1,072,246	51,847,703	722,196,804	7.1940	4,951,383,273	14.59%
2018	25,997,221	336,314,140	88,242,635	112,828,700	10,366,353	186,865,794	22,217,390	1,051,089	59,031,303	724,852,019	7.1940	5,832,414,228	12.43%
2019	22,851,383	359,129,835	92,702,833	114,967,621	12,107,688	464,698,315	20,678,476	900,574	64,214,913	1,023,821,812	7.1940	6,527,091,552	15.69%
2020	31,105,195	437,562,145	123,309,728	134,351,347	12,556,845	684,842,308	22,987,932	598,951	87,751,475	1,359,562,976	7.7500	8,131,136,987	16.72%
2021	29,006,874	476,646,646	136,942,459	137,839,132	12,463,895	485,351,050	25,828,548	909,041	92,164,462	1,212,823,183	7.7500	8,158,550,560	14.87%
2022	43,598,673	556,524,608	163,944,504	128,260,428	13,186,895	318,410,536	25,705,415	4,283,034	93,699,535	1,160,214,558	7.7500	9,186,284,407	12.63%
2023	27,337,325	588,184,504	165,771,305	134,327,048	12,434,633	489,354,989	29,822,086	4,506,341	94,936,816	1,356,801,415	8.2500	7,769,914,171	17.46%
2024	40,972,185	733,522,414	227,728,431	135,973,632	16,933,216	1,080,095,913	31,441,113	4,951,920	122,506,383	2,149,112,441	8.2500	13,465,245,266	15.96%
2025	38,704,097	756,905,495	261,426,543	151,607,234	18,029,798	521,216,080	32,305,835	4,557,122	128,630,560	1,656,121,644	8.2500	13,313,572,196	12.44%

Source: Weld and Larimer County Tax Assessor

Windsor Severance Fire Protection District
Property Tax Rates - All Direct and Overlapping Governments
Last ten (10) fiscal years (as of December 31)

	Direct			Overlapping Rates				
Fiscal year ended December 31,	**Windsor Severance Fire Rescue (1)**	**Windsor Severance Fire Rescue Debt Service (1)**	**Total District**	**Poudre School District R-1**	**Thompson School District No. R2-J**	**Windsor RE-4 School District**	**Windsor Town**	**Total Direct and overlapping rates**
2016	$ 7.248	$ 0.547	$ 7.795	$ 52.630	$ 38.350	$ 41.490	$ 12.030	$ 152.295
2017	7.194	0.520	7.714	52.630	36.320	48.220	12.030	156.914
2018	7.194	0.505	7.699	52.630	47.430	49.190	12.030	168.979
2019	7.194	0.365	7.559	52.630	43.840	44.830	12.030	160.889
2020	7.750	0.311	8.061	56.000	44.580	39.430	12.030	160.101
2021	7.750	0.308	8.058	55.000	44.590	40.230	12.030	159.908
2022	7.750	0.244	7.994	55.870	44.570	50.880	12.030	171.344
2023	8.250	-	8.250	54.430	42.760	44.380	12.030	161.850
2024	8.250	-	8.250	53.430	42.760	44.380	12.030	160.850
2025	8.250	-	8.250	57.370	44.880	48.320	12.030	170.850

Source: Weld and Larimer County Tax Assessor

(1) Estimate. Most current data available.

Windsor Severance Fire Protection District
Principal Property Taxpayers
Current and Ten Years Ago

		December 31, 2025	
Taxpayer	**Type of Business**	**Assessed Value**	**% of Total Assessed Value**
Noble Energy Inc	Energy	$ 2,400,310,220	12.19%
PDC Energy Inc	Energy	2,296,789,060	11.67%
Kerr-McGee Oil & Gas Onshore LP	Energy	1,920,514,190	9.75%
Verdad Resources LLC	Energy	742,624,880	3.77%
Extraction Oil & Gas LLC	Energy	543,988,100	2.76%
Baywater Exploration and Production LLC	Energy	535,497,460	2.72%
Civitas Resources Inc	Energy	520,891,470	2.65%
Kerr McGee Gathering LLC	Energy	461,179,920	2.34%
Crestone Peak Resources LLC	Utility	352,927,150	1.79%
Public Service Company of Colorado (XCEL)	Energy	324,437,000	1.65%
		$ 10,099,159,450	51.29%
Total Assessed Value		$ 19,688,902,120	

		December 31, 2016	
Taxpayer	**Type of Business**	**Assessed Value**	**% of Total Assessed Value**
Kerr-McGee Oil & Gas Onshore LP	Energy	$ 2,742,921,420	30.08%
Nobel Energy Inc	Energy	2,115,829,960	23.20%
Encana Oil & Gas (USA) Inc	Energy	639,256,280	7.01%
Bonanza Creek Energy Inc	Energy	432,940,970	4.75%
PDC Energy Inc	Energy	432,068,270	4.74%
Public Service Company of Colorado (XCEL)	Utility	236,338,400	2.59%
DCP Midstream LP	Energy	202,790,600	2.22%
Extraction Oil & Gas LLC	Energy	186,796,300	0.95%
Bill Barrett Corporation	Energy	164,266,450	1.80%
Whiting Oil & Gas	Energy	162,453,010	1.78%
		$ 7,315,661,660	80.23%
Total Assessed Value		$ 9,118,614,816	

Source: Larimer and Weld Audited Financial Statements

Windsor Severance Fire Protection District
Property Tax Levies and Collections
Last ten (10) fiscal years (as of December 31)

Fiscal year ended December 31,	Original Property Tax Levy	Tax Roll Corrections	Property Tax Levy (Adjusted)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total collections to date	
				Amount	% of Levy		Amount	% of Levy
2016	$ 5,591,298	$ -	$ 5,591,298	$ 5,543,805	99.15%	$ 47,493	$ 5,591,298	100.00%
2017	5,926,413	-	5,926,413	5,892,027	99.42%	34,386	5,926,413	100.00%
2018	6,023,887	(22,202)	6,001,685	5,971,842	99.50%	29,843	6,001,685	100.00%
2019	8,194,311	(4,170)	8,190,141	8,185,326	99.94%	4,815	8,190,141	100.00%
2020	12,216,069	(97,741)	12,118,328	12,112,471	99.95%	5,857	12,118,328	100.00%
2021	10,457,843	(2,110)	10,455,733	10,354,800	99.03%	100,933	10,455,733	100.00%
2022	9,245,902	(10,736)	9,235,166	9,007,187	97.53%	227,979	9,235,166	100.00%
2023	11,978,962	(12,038)	11,966,924	11,964,374	99.98%	2,550	11,966,924	100.00%
2024	18,743,974	(26,213)	18,717,761	18,695,713	99.88%	2,597	18,698,310	99.90%
2025	14,714,737	(67,875)	14,646,862	14,629,061	99.88%	-	14,629,061	99.88%

Source: Windsor Severance Fire Protection District Finance Office, Larimer County Treasurer Office and Weld County Treasurer Office

(1) Larimer County Treasurer and Weld Country Treasurer did not have this information.

Windsor Severance Fire Protection District
Ratios of Outstanding Debt by Type
Last ten (10) fiscal years (as of December 31)

Fiscal year ended December 31,	General Obligation Bond		Certificates of Participation 2012	Finance Purchases	Leases	Subscription-Based Information Technology Arrangements	Total Outstanding Debt		
	Outstanding	Legal Limit					Amount	% of Personal Income	Debt Per Capita
2016	$ 2,398,654	$ 20,367,228	$ -	$ -	$ 303	$ -	$ 2,398,957	0.00%	3.85
2017	2,086,835	21,665,904	-	-	-	-	2,086,835	0.00%	3.27
2018	1,770,794	21,745,561	-	-	-	-	1,770,794	0.00%	2.70
2019	1,009,753	30,714,654	-	-	-	-	1,009,753	0.00%	1.48
2020	672,263	40,786,889	-	-	-	-	672,263	0.00%	0.98
2021	319,773	36,384,695	-	6,569,000	-	-	6,888,773	0.01%	10.00
2022	-	34,806,437	-	6,165,000	-	-	6,165,000	0.01%	8.96
2023	-	40,704,042	-	5,752,000	-	30,253	5,782,253	0.01%	7.92
2024	-	64,473,373	-	5,330,000	-	34,865	5,364,865	0.01%	7.21
2025	-	49,683,649	-	4,898,000	-	4,835	4,902,835	0.00%	6.49

Source: Personal income and population information can be found in the Demographic and Economic Statistics.

Windsor Severance Fire Protection District
Ratios of Net General Bonded Debt Outstanding
Last ten (10) fiscal years (as of December 31)

Fiscal year ended December 31,	General Obligation Bonds [1]	Less: Amounts Available in Debt Service Fund [2]	Total	% of Estimated Real Market Value of Property [3]	Debt Per Capita [4]
2016	$ 2,398,654	$ 390,251	$ 2,008,403	0.04%	3.22
2017	2,086,835	416,103	1,670,732	0.03%	2.62
2018	1,770,794	431,813	1,338,981	0.02%	2.04
2019	1,009,753	462,158	547,595	0.01%	0.80
2020	672,263	4,025	668,238	0.01%	0.97
2021	319,773	65,413	254,360	0.00%	0.37
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	-	-	0.00%	-
2025	-	-	-	0.00%	-

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements

[1] This is the general bonded debt, net of any issuance discounts and premiums
[2] This is the amount restricted for debt service principal payments.
[3] See schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.
[4] Population data can be found in the schedule of Demographic and Economic Statistics.

Windsor Severance Fire Protection District
Direct and Overlapping Governmental Activities Debt
December 31, 2025

Governmental Unit	Debt Outstanding at December 31, 2025	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Poudre School District R-1	$ 362,960,782	14.38%	$ 52,193,760
Thompson School District No. R2-J	192,090,836	18.38%	35,306,296
Windsor RE-4 School District	348,160,000	17.07%	59,430,912
Windsor Town	2,044,479	68.58%	1,402,104
Subtotal, overlapping debt			148,333,072
Windsor-Severance Fire Rescue			4,902,835
Total Direct and overlapping debt			$ 153,235,907

Source: Individual taxing entities

(1) Estimate. Most current data available.

Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the District. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. The process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Windsor Severance Fire Protection District
Legal Debt Margin Information
Last ten (10) fiscal years (as of December 31)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Assessed Value	$ 1,656,121,644	$ 2,149,112,441	$ 1,356,801,415	$ 1,160,214,558	$ 1,212,823,183	$ 1,359,562,976	$ 1,023,821,812	$ 724,852,019	$ 722,196,804	$ 678,907,597
Debt limit rate	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Debt Limit	49,683,649	64,473,373	40,704,042	34,806,437	36,384,695	40,786,889	30,714,654	21,745,561	21,665,904	20,367,228
Less debt obligations	(4,902,835)	(5,364,865)	(5,782,253)	(6,165,000)	(6,888,773)	(672,263)	(1,009,753)	(1,770,794)	(2,086,835)	(2,398,957)
Legal debt margin	$ 44,780,814	$ 59,108,508	$ 34,921,789	$ 28,641,437	$ 29,495,922	$ 40,114,626	$ 29,704,901	$ 19,974,767	$ 19,579,069	$ 17,968,271
Total net debt applicable to the limit as a percentage of debt limit	9.87%	8.32%	14.21%	17.71%	18.93%	1.65%	3.29%	8.14%	9.63%	11.78%

Windsor Severance Fire Protection District
Demographic and Economic Statistics
Last ten (10) fiscal years (as of December 31)

Fiscal year ended December 31,	Population (Weld & Larimer County)	Personal Income (thousands of dollars)	Per Capita income (Weld & Larimer County)	Unemployment Rate (Weld County)	Unemployment Rate (Larimer County)
2016	623,407	59,127,660	94,846	3.8%	2.8%
2017	638,373	60,293,691	94,449	3.4%	2.3%
2018	654,953	64,373,366	98,287	2.7%	2.7%
2019	680,536	69,452,782	102,056	3.0%	2.1%
2020	688,794	73,068,645	106,082	7.2%	6.3%
2021	688,794	83,213,892	120,811	3.8%	3.0%
2022	688,047	83,123,646	120,811	2.7%	2.3%
2023	730,213	92,524,559	126,709	3.3%	2.8%
2024	744,319	99,657,615	133,891	4.7%	4.2%
2025	755,718	103,961,102	137,566	4.0%	3.4%

Sources of information:

Weld County: Upstate Colorado in cooperation with University of Northern Colorado and the State of Colorado demographer.

Larimer County: Population provided by U.S. Census Bureau, per capita personal income provided by Bureau of Economic Analysis, median age provided by Colorado Demography Office, school enrollment provided by Colorado Department of Education, and unemployment rate provided by U.S. Department of Labor or Federal Reserve Bank of St. Louis.

Windsor Severance Fire Protection District
Principal Employers
Current and Nine Years Ago

	December 31, 2025			December 31, 2016		
Employer	**Employees**	**Rank**	**Percentage of Total Employment (2)**	**Employees**	**Rank**	**Percentage of Total Employment (2)**
UCHealth: Poudre Valley Hospital	9,107	1	2.38%	5,740	2	1.75%
Colorado State University	7,599	2	1.99%	6,701	1	2.05%
JBS Swift Company	4,992	3	1.31%	4,523	3	1.38%
Poudre School District R-1	4,316	4	1.13%	4,305	4	1.31%
Banner Health (NCMC)	3,710	5	0.97%	3,069	5	0.94%
Vestas	2,631	6	0.69%	1,980	8	0.60%
Thompson School District R2-J	2,487	7	0.63%	2,125	7	0.65%
City of Fort Collins	2,400	8	0.59%	2,291	6	0.70%
Greeley/Evans School District 6	2,258	9	0.53%	1,923	9	0.59%
Larimer County	2,043	10	0.50%	1,652		
State Farm Insurance				1,720	10	0.52%
Total of top ten employers	41,543		10.72%	36,029		10.49%

Source: Weld & Larimer Audited Financial Statements

Note: The principal employers were not available for the District alone, therefore, the principal employers for Larimer & Weld Counties are presented.

(1) Estimate. Most current data available.
(2) The amounts are presented from a county only perspective

Windsor Severance Fire Protection District
Operating Indicators by Function
Last ten fiscal years

Function	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Public Safety										
Emergency medical service calls	3,213	2,958	2,901	2,781	2,664	2,129	2,330	2,529	2,601	2,046
Fire responses	97	68	81	88	91	99	56	72	89	111
Other responses - including hazardous materials, mutual aid, public service	111	120	117	103	115	106	125	92	98	124
Miscellaneous - including false alarms, good intent	1,797	1,593	1,679	1,299	1,164	821	955	892	784	507
Total Incidents	5,218	4,739	4,778	4,271	4,034	3,155	3,466	3,585	3,572	2,788

Source: Per 2025 Annual Report per Windsor's Website

Windsor Severance Fire Protection District
Full-Time Equivalent Employees by Function
Last ten fiscal years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Fire and rescue service	52	53	51	51	45	41	38	38	29	28
Fire prevention	4	4	3	3	3	3	3	1	1	1
Administrative and support	9	10	7	9	5	4	3	4	4	4
Total	65	67	61	63	53	48	44	43	34	33

Source: District HR department

Windsor Severance Fire Protection District
Capital Asset Statistics by Function
Last ten fiscal years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Number of stations	4	4	4	4	3	3	3	3	3	3
Equipment:										
Dive van	1	1	1	1	-	-	-	-	-	-
Engines	6	5	6	5	5	5	5	5	4	4
Ladder trucks	1	1	1	1	1	-	-	1	1	1
Brush rigs	4	4	4	4	4	4	4	3	3	3
Tenders	3	3	2	2	2	2	2	2	2	2
Squad/support units	2	4	2	1	1	1	1	1	1	1

Source: District logistics department