FLORISSANT FIRE PROTECTION DISTRICT

TELLER COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Florissant Fire Protection District
Teller County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Florissant Fire Protection District ("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, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the 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.

Emphasis of Matter

As discussed in Note 12, these financial statements have been restated to correct for grant and wildland fire revenue that was earned during 2024 and for depreciation that was not recorded in the previously issued December 31, 2024 financial statements. Our opinions are not modified with respect to this matter.

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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents 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 supplemental 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

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 supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

BiggsKofford LLP

Colorado Springs, Colorado
July 15, 2026

FLORISSANT FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

As management of Florissant Fire Protection District ("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.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are composed of three components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to the financial statements

This report also contains other supplementary information in addition to the financial statements. Comparative data is presented when available.

Government-Wide Financial Highlights

The District's net position at the end of 2025 was $1,767,788.
The District's cash and cash equivalents at the end of 2025 was $400,758.
Total revenues for 2025 was $1,327,451.
Total acquisitions of new vehicles and equipment in 2025 were $556,699.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances as a whole, in a manner similar to a private-sector business. The governmental activity of the District is primarily providing fire protection services within their district and wildland fire protection outside of the district as necessary.

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

The Statement of Activities presents information showing how the 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.

The government-wide financial statements are presented on page 6 through 7 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. The District has two funds, the General Fund and Capital Expenditure Fund, both of which are governmental funds.

Governmental Funds - Governmental funds are used to account for essentially the same function 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 expendable resources, as well as on balances of expendable 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. A reconciliation of the fund balance as reported in the governmental funds to the net change in fund balance to the change in net position has been provided to facilitate the comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The governmental fund financial statements are presented on page 8 through 11 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. The notes to the financial statements can be found on page 12 through 26 of this report.

Statement of Net Position

	2025	2024	Change
ASSETS			
Current and other assets	$ 1,151,080	$ 1,066,410	$ 84,670
Capital assets, net	1,213,006	800,951	412,055
Total assets	2,364,086	1,867,361	496,725
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	23,170	-	23,170
Total deferred outflows of resources	23,170	-	23,170
LIABILITIES			
Accounts payable and accrued liabilities	16,709	48,129	(31,420)
Accrued compensated absences	15,708	-	15,708
Total liabilities	32,417	48,129	(15,712)
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	566,823	547,743	19,080
Deferred inflows - pension	20,228	-	20,228
Total deferred inflows of resources	587,051	547,743	39,308
NET POSITION			
Investment in capital assets	1,213,006	821,071	391,935
Restricted for:			
Emergency reserves	20,200	15,000	5,200
Capital projects	63,542	-	63,542
Unrestricted	471,040	435,418	35,622
Total net position	$ 1,767,788	$ 1,271,489	$ 496,299

Current Assets

Current assets increased primarily by wildland fire deployment receivables owed by the state.

Capital Assets, Net

Capital assets increased as the District purchased three vehicles and made a down payment on a fourth under construction, paved two parking lots, and purchased additional firefighting equipment.

STATEMENT OF ACTIVITIES

The statement of activities reflects the cost of operation and the charges for services and receipts of grants offsetting those services. The following detail reflects the total cost of services supported by operating revenues and property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal year. The following is a comparative summary of the District's revenues and expenses for the year ended December 31:

	2025	2024	Change
PROGRAM REVENUES			
Charges for services	$ 174,203	$ 13,467	$ 160,736
Operating grants and contributions	34,646	96,525	(61,879)
Capital grants and contributions	478,246	-	478,246
Total program revenues	687,095	109,992	577,103
GENERAL REVENUES			
Property taxes	547,861	542,721	5,140
Specific ownership taxes	50,251	51,682	(1,431)
Gain on sale of capital assets	9,300	10,500	(1,200)
Investment income	21,803	24,864	(3,061)
Other income	11,141	91,997	(80,856)
Total general revenues	640,356	721,764	(81,408)
Total revenues	1,327,451	831,756	495,695
EXPENSES			
Operations	266,854	190,253	76,601
Administrative	85,810	41,448	44,362
Equipment repairs and maintenance	8,075	4,962	3,113
Station maintenance and supplies	39,285	39,567	(282)
New equipment and supplies	71,271	52,329	18,942
Training and education	28,893	21,145	7,748
Vehicles	83,729	48,408	35,321
Depreciation	144,645	99,644	45,001
Wildland deployment	102,590	-	102,590
Total expenses	831,152	497,756	333,396
Change in net position	496,299	334,000	162,299
Net position, beginning of year	1,271,489	937,489	334,000
Net position, end of year	$ 1,767,788	$ 1,271,489	$ 496,299

Revenue

Revenues increased primarily from several large one time donations to purchase additional vehicles and equipment along with reimbursements for the District's new wildland fire program.

Governmental Funds

The focus on the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. At the end of the current fiscal year, the District's governmental funds reported an ending unassigned fund balance of $457,039 in the general fund. Non-spendable fund balance of $26,767 is associated with prepaid expenses. Restricted fund balance of $20,200 is not available for new spending because it has been restricted by the reserve required under the Colorado Taxpayer Bill of Rights (TABOR).

Capital Assets

The District's investment in captial assets for its governmental activities as of December 31, 2025 amounted to $1,213,006.

This investment in capital assets includes land, buildings, equipment, and vehicles. Additional information can be found in Notes 4 and 5 to the financial statements.

BUDGET ANALYSIS

The District continues to use best practices in managing the finances and assets of the District. We continue to seek opportunities to enhance our revenue stream through pursuing grants and donations. These opportunities continue to enhance our capabilities and service delivery.

A condensed schedule of the general fund budget depicting original budgeted amounts and final amended is as follows:

	Original and Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 454,379	$ 454,242	$ (137)
Specific ownership taxes	43,560	41,664	(1,896)
Wildland deployment reimbursements	40,000	174,203	134,203
Investment income	21,200	21,803	603
Other income	11,000	11,141	141
Grants	-	15,000	15,000
Donations and contributions	35,000	19,646	(15,354)
Total revenues	605,139	737,699	132,560
EXPENDITURES			
Operations	296,576	251,372	45,204
Administrative	71,414	85,810	(14,396)
Equipment repairs and maintenance	7,800	8,075	(275)
Station maintenance and supplies	42,324	39,285	3,039
New equipment and supplies	25,000	71,271	(46,271)
Training and education	66,486	28,893	37,593
Vehicles	58,438	83,729	(25,291)
Wildland deployment	40,000	102,590	(62,590)
Total expenditures	608,038	671,025	(62,987)
Net change in fund balance	$ (2,899)	66,674	$ 69,573

A condensed schedule of the capital projects fund budget depicting original budgeted amounts and final amended is as follows:

	Original and Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 93,365	$ 93,619	$ 254
Specific ownership taxes	440	8,587	8,147
Donations and contributions	-	455,656	455,656
Grants	609,256	22,590	(586,666)
Total revenues	703,061	580,452	(122,609)
EXPENDITURES			
Operations	-	2,716	(2,716)
Capital outlay	700,325	556,699	143,626
Total expenditures	700,325	559,415	140,910
OTHER FINANCING SOURCES AND USES			
Proceeds from sale of capital assets	-	9,300	9,300
Net change in fund balance	$ 2,736	30,337	$ 27,601

Economic Factors, Trends, and Future Plans

In the General Fund, 2025 tax revenue remained similar to the prior year. The District's new wildland fire program brought in a material new revenue source. In order to accommodate the significant timing differences between wildland program expenses and reimbursement revenues, the District continued its efforts to increase its minimum general fund cash reserves over prior year balances.

In the Capital Projects Fund, the District received a significant increase in donations and contributions to assist with small/mid-size vehicles and equipment upgrades. The District’s future plans include an intentional build-up of capital cash account balances in preparation for the inevitable need to refresh the fleet of larger fire response apparatus. Although the District is aggressive in the pursuit of grants, they often require matching funds and/or payment up-front for purchases prior to receipt of reimbursements. The District will also need funding to complete an expansion of Station 51 facilities to accommodate the larger vehicles.

Request for information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

ATTN: LeAnne Spicer, Treasurer
2606 Hwy 24
Florissant, CO 80816
Tel: (719)748-3909

FLORISSANT FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and investments	$ 317,016
Cash and investments - restricted	83,742
Accounts receivable	156,732
Property taxes receivable	566,823
Prepaid expenses	26,767
Capital assets:	
Capital assets, net	1,122,438
Capital assets, not depreciable	90,568
Total assets	2,364,086
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension	23,170
Total deferred outflows of resources	23,170
LIABILITIES	
Accounts payable	4,388
Accrued liabilities	12,321
Accrued compensated absences	15,708
Total liabilities	32,417
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	566,823
Deferred inflows - pension	20,228
Total deferred inflows of resources	587,051
NET POSITION	
Investment in capital assets	1,213,006
Restricted for:	
Emergency reserve	20,200
Capital projects	63,542
Unrestricted	471,040
Total net position	$ 1,767,788

The accompanying notes and independent auditor's report
should be read with these financial statements.

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

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS / PROGRAMS					
Primary government					
Government activities:					
General government	$ 831,152	$ 174,203	$ 34,646	$ 478,246	$ (144,057)
Total government activities	$ 831,152	$ 174,203	$ 34,646	$ 478,246	(144,057)
GENERAL REVENUES					
Property taxes					547,861
Specific ownership taxes					50,251
Gain on sale of capital assets					9,300
Investment income					21,803
Other income					11,141
Total general revenues					640,356
Change in net position					496,299
Net position, beginning of year					1,271,489
Net position, end of year					$ 1,767,788

The accompanying notes and independent auditor's report should be read with these financial statements.

FLORISSANT FIRE PROTECTION DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS

DECEMBER 31, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and investments	$ 317,016	$ -	$ 317,016
Cash and investments - restricted	20,200	63,542	83,742
Accounts receivable	156,732	-	156,732
Property taxes receivable	469,930	96,893	566,823
Prepaid expenses	26,767	-	26,767
Total assets	$ 990,645	$ 160,435	$ 1,151,080
LIABILITIES			
Accounts payable	$ 4,388	$ -	$ 4,388
Accrued liabilities	12,321	-	12,321
Total liabilities	16,709	-	16,709
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	469,930	96,893	566,823
Total deferred inflows of resources	469,930	96,893	566,823
FUND BALANCES			
Nonspendable:			
Prepaid expenses	26,767	-	26,767
Restricted for:			
Emergency reserve	20,200	-	20,200
Capital projects	-	63,542	63,542
Unassigned:			
Unrestricted	457,039	-	457,039
Total fund balances	504,006	63,542	567,548
Total liabilities, deferred inflows of resources, and fund balances	$ 990,645	$ 160,435	

Amounts reported in 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, net	1,122,438
Capital assets, not depreciable	90,568
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:	
Accrued compensated absences	(15,708)
Certain amounts related to the District's pension plan on the statement of net position are not reported in the government funds:	
Deferred outflows - pension	23,170
Deferred inflows - pension	(20,228)
Net position of governmental activities	$ 1,767,788

The accompanying notes and independent auditor's report should be read with these financial statements.

FLORISSANT FIRE PROTECTION DISTRICT

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

YEAR ENDED DECEMBER 31, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Property taxes	$ 454,242	$ 93,619	$ 547,861
Specific ownership taxes	41,664	8,587	50,251
Wildland deployment reimbursements	174,203	-	174,203
Investment income	21,803	-	21,803
Other income	11,141	-	11,141
Grants	15,000	22,590	37,590
Donations and contributions	19,646	455,656	475,302
Total revenues	737,699	580,452	1,318,151
EXPENDITURES			
Current:			
Operations	251,372	2,716	254,088
Administrative	85,810	-	85,810
Equipment repairs and maintenance	8,075	-	8,075
Station maintenance and supplies	39,285	-	39,285
New equipment and supplies	71,271	-	71,271
Training and education	28,893	-	28,893
Vehicles	83,729	-	83,729
Wildland deployment	102,590	-	102,590
Capital projects:			
Capital outlay	-	556,699	556,699
Total expenditures	671,025	559,415	1,230,440
Excess of revenues over expenditures	66,674	21,037	87,711
OTHER FINANCING SOURCES AND USES			
Proceeds from sale of capital assets	-	9,300	9,300
Total other financing sources and uses	-	9,300	9,300
Net change in fund balances	66,674	30,337	97,011
Fund balances, beginning of year	437,332	33,205	470,537
Fund balances, end of year	$ 504,006	$ 63,542	$ 567,548

The accompanying notes and independent auditor's report should be read with these financial statements.

FLORISSANT FIRE PROTECTION DISTRICT

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

YEAR ENDED DECEMBER 31, 2025

Net change in fund balances	$	97,011
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable assets over the estimated useful lives of the assets. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:		
Capital outlay		556,699
Depreciation		(144,645)
Some items in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		(15,708)
Pension expenses - Statewide Retirement Plan		2,942
Change in net position	$	496,299

FLORISSANT FIRE PROTECTION DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 454,379	$ 454,242	$ (137)
Specific ownership taxes	43,560	41,664	(1,896)
Wildland deployment reimbursements	40,000	174,203	134,203
Investment income	21,200	21,803	603
Other income	11,000	11,141	141
Grants	-	15,000	15,000
Donations and contributions	35,000	19,646	(15,354)
Total revenues	605,139	737,699	132,560
EXPENDITURES			
Operations	296,576	251,372	45,204
Administrative	71,414	85,810	(14,396)
Equipment repairs and maintenance	7,800	8,075	(275)
Station maintenance and supplies	42,324	39,285	3,039
New equipment and supplies	25,000	71,271	(46,271)
Training and education	66,486	28,893	37,593
Vehicles	58,438	83,729	(25,291)
Wildland deployment	40,000	102,590	(62,590)
Total expenditures	608,038	671,025	(62,987)
Net change in fund balance	$ (2,899)	66,674	$ 69,573
Fund balance, beginning of year		437,332	
Fund balance, end of year		$ 504,006	

The accompanying notes and independent auditor's report should be read with these financial statements.

1. DEFINITION OF REPORTING ENTITY

Florissant Fire Protection District ("District"), a special district of the state of Colorado, was formed in January 1989, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Teller County, Colorado ("County"). The District was organized to provide fire suppression and protection and emergency services to the residents and visitors within their jurisdiction.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Government-wide and fund financial statements</u>

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Material interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets plus deferred outflows of resources and the liabilities plus deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues and are reported as general revenues.

<u>Measurement focus, basis of accounting, and financial statement position</u>

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

The District reports the following major governmental funds:

The *general fund* accounts for all financial resources of the District except those required to be accounted for in another fund.

The *capital projects fund* accounts for financial resources to be used for the acquisition and construction of capital equipment and facilities.

Budgets

In accordance with state budget law, the District holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures, fund balance remaining, and other financing uses level, and lapses at year end. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District incurred expenditures in excess of appropriations for the year ended December 31, 2025 in the general fund, which may be a violation of state budget law. The District's expenditures exceeded appropriations due to unexpected wildland deployment expenses of $102,590 that resulted in corresponding revenue of $174,203. Furthermore, the District's board of directors determined to perform emergency repairs on a critical fire truck.

Pooled cash and investments

The District follows the practice of pooling cash and investments of funds to maximize investment earnings. Except when required by trust or other agreements, cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average balance.

Property taxes

Property taxes are levied by the District's board of directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 and attaches as an enforceable lien as of January 1 of the following year. The County Treasurer collects the taxes during the ensuing calendar year. The taxes are payable by April or, at the taxpayer's election, in February and June in equal installments. Delinquent taxpayers are notified in August and sales of tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected to the District monthly.

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

Capital assets

Capital assets, which include property, equipment, and vehicle assets (e.g., firetrucks, ATVs, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and a useful life greater than one year. Such assets are recorded at cost or estimated cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date of contribution.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of the assets, which range from 5 to 40 years.

Maintenance and repairs are expensed as incurred. At the time of retirement or disposition of depreciable assets, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, is reflected in revenues or expenses.

Pensions

Florissant Fire Protection District participates in the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SRP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions ("Statement 68"). Statement 68 requires governments that provide defined benefit pension plans to recognize a net pension liability on the statement of net position and to report deferred outflows of resources and deferred inflows of resources related to pensions. In addition, Statement 68 establishes requirements for recognizing pension expense and expanded note disclosures and required supplementary information. For years ended on or before December 31, 2024, the District determined the effects of Statement No. 68 were immaterial to the financial statements as a whole. For the year ended December 31, 2025, the District recorded the effects of Statement No. 68 on a prospective basis.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources expense until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. Accordingly, property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund balances and transactions

The District reports interfund balances and transfers that are representative of lending and borrowing arrangements between funds in the fund financial statements as due to other funds and due from other funds, respectively. The interfund balances have been eliminated in the government-wide statements.

Net position and fund balances

Net position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District’s practice to use restricted resources first, then unrestricted resources as they are needed.

Fund balances

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

The *nonspendable fund balance* is the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventories) or is legally or contractually required to be maintained intact.

The *restricted fund balance* is the portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

The *committed fund balance* is the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

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

The *unassigned fund balance* is the residual portion of fund balance that does not meet any of the criteria described above.

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

Use of estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

The District has evaluated events subsequent to the year ended December 31, 2025 through the date of the attached independent auditor's report, the date of these financial statements were issued.

Compensated absences

The District recognizes a liability for compensated absences in accordance with the provisions of GASB Statement No. 101, Compensated Absences. Under this standard, a liability is reported for leave that is attributable to services already rendered, is to be used for time off, and is more likely than not to be used for time off or otherwise paid.

As of December 31, 2025, the District's compensated absences liability was $15,708. The compensated absences liability increased $15,708 during the year ended December 31, 2025.

New accounting pronouncement

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance. The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

3. CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	$ 317,016
Cash and investments - restricted	83,742
	$ 400,758

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2025, are as follows:

Deposits with financial institutions	$ 13,017
Investments	387,741
	$ 400,758

Deposits with financial institutions

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be 102% of the aggregate uninsured deposits.

The state commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2025, the District's cash deposits had a bank balance of $54,122 and a carrying balance of $13,017.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

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

- Obligations of the US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2025, the District had the following in investments:

Investment	Maturity	Amount
Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	$ 387,741

See independent auditor's report.

COLOTRUST

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

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund in which each share is equal in value to $1, offer daily liquidity. Both portfolios may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable net asset value ("NAV") local government investment pool, offers weekly liquidity and is managed to approximate a $10 transactional share price. COLOTRUST EDGE may invest in US Treasury securities, repurchase agreement collateralized by US Treasury securities, certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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

4. CAPITAL ASSETS

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

	Balance 01-01-25	Additions	Dispositions	Reclassifications	Balance 12-31-25
Governmental activities					
Capital assets, depreciable:					
Buildings	$ 657,127	$ 48,758	$ -	$ -	$ 705,885
Equipment	374,426	103,085	-	-	477,511
Vehicles	983,778	375,990	(40,987)	-	1,318,781
Total capital assets, depreciable	2,015,331	527,833	(40,987)	-	2,502,177
Less accumulated depreciation	(1,276,081)	(144,645)	40,987	-	(1,379,739)
Capital assets, net	$ 739,250	$ 383,188	$ -	$ -	$ 1,122,438
Capital assets, not depreciable:					
Land	$ 61,702	$ -	$ -	$ -	$ 61,702
Vehicle in progress	-	28,866	-	-	28,866
Capital assets, not depreciable	$ 61,702	$ 28,866	$ -	$ -	$ 90,568

Depreciation expense for the year ended December 31, 2025, totaled $144,645.

5. NET POSITION

The District has net position consisting of: investment in capital assets, restricted, and unrestricted.

Investment in capital assets consists of capital assets, net of accumulated depreciation.

As of December 31, 2025, the District had investment in capital assets as follows:

Investment in capital assets:	
Capital assets	$ 1,213,006
Investment in capital assets	$ 1,213,006

Restricted net position includes balances with external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2025 as follows:

Restricted net position:	
Emergency reserve (Note 7)	$ 20,200
Capital projects	63,542
	$ 83,742

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

7. TAX, SPENDING, AND DEBT LIMITATIONS

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

Spending and revenue limits are determined based on the prior fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues.

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.

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

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

Annual operating revenue is limited to a 5.25% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues. The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complete and subject to interpretation.

8. CONTINGENCIES

The District is subject to claims or other legal action in the normal course of operations. As of the date of these financial statements, management was unable to estimate the impact, if any, these items will have on the financial statements.

9. DEFINED BENEFIT PENSION PLAN

Statewide Retirement Plan

Plan Description: The District participates in the Statewide Retirement Plan ("SRP"), a cost-sharing multiple-employer defined benefit pension plan. The plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component, and Money Purchase Component. The plan currently has 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 the option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

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

The plan assets are in the Fire and Police Member's Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent. Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

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

Benefits provided: The SRP provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the statewide Death and Disability Plan which is also administered by the FPPA.

The FPPA Board of Directors may change the retirement age on an annual basis, depending on the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension. A member is eligible for retirement after attainment of age 55 with at least five years of credited service. A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefits equals the normal retirement benefit reduced on an actuarially equivalent basis.

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

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

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

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLA 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 a least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member. Upon termination, a member may elect to have their member contribution, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

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

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0 percent.

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

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.00 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component. A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

A member of the plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

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

A member of the plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Employer contributions are recognized by the SRP in the period in which the compensation becomes payable to the member and the Florissant Fire Protection District is statutorily committed to pay the contributions to the SRP. Employer contributions recognized by the SRP from Florissant Fire Protection District were $7,990 for the year ended December 31, 2025.

Actuarial assumptions: The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	1-Jan-25	1-Jan-24
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases*	4.25%-11.75%	4.25%-11.75%
Cost of Living Adjustments (COLA)	0%	0.0%
*Include Inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty morality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Long-term rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33%	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%
	100%	

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

The COLA assumption reflects the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

Discount rate: Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

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

Sensitivity of the Florissant Fire Protection District proportionate share of the net pension liability/(asset) to changes in the Discount Rate: The following presents the plan's net pension liability, calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
$ 20,551	$ -	$ -

The net pension liability of $0 reflects a reserve for cost of living adjustments and to manage adverse experience of $6,054 at a 7.00 percent discount rate and $28,086 at a 8.00 percent discount rate.

Pension plan fiduciary net position: Detailed information about the SRP's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org.

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

At December 31, 2025, the Florissant Fire Protection District reported a liability/(asset) of $0 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2024, and the collective total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2025. The Florissant Fire Protection District proportion of the net pension liability/(asset) was based on Florissant Fire Protection District contributions to the SRP for the calendar year 2024 relative to the total contributions of participating employers to the SRP.

At December 31, 2024, the Florissant Fire Protection District's proportion was 0.0042 percent, which was a decrease of 0.0001 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Florissant Fire Protection District recognized pension expense of $5,048. At December 31, 2025, the Florissant Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 10,120	$ 317
Changes in assumptions or other inputs	3,622	-
Net difference between projected and actual investment earnings	1,438	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	19,911
Contributions subsequent to the measurement date	7,990	-
	$ 23,170	$ 20,228

$7,990 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended December 31,	
2026	1,413
2027	3,390
2028	(2,293)
2029	(2,084)
2030	(1,316)
Thereafter	(4,158)
Total	$ (5,048)

10. STATEWIDE DEATH AND DISABILITY PLAN

The District contributes to the Statewide Death and Disability Plan ("SWD&DP"), a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. All full-time firefighters are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by state statute and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for SWD&DP. That report may be obtained at www.fppaco.org.

Contributions to the SWD&D are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1998 pursuant to Colorado Revised Statutes. FPPA issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained on FPPA's website at http://www.FPPAco.org.

Funding Policy: The District and/or employee is required to contribute at a rate of 3.8% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.8% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is splitting the 3.8% between the District and the Members. For the year ending December 31, 2025, the District's contributions to the SWD&D were $3,375 equal to the required contributions for the year.

11. INTERLOCAL COOPERATION AGREEMENT

The District became a participating agency in the Southern Colorado Interagency Wildland Fire Team ("SOCO") and entered into the team affiliation charter on November 1, 2025. SOCO provides coordinated and efficient response to wildland fire emergencies primarily to the Pikes Peak and surrounding region.

The District entered into a Interlocal Cooperation Agreement ("ICA") with Southern Colorado Interagency Wildland Team during the year ended December 31, 2025. Under the ICA, the District and SOCO agreed to manage a new Type 6 engine to enable SOCO to assist the District and other Teller County agencies on wildland fires. SOCO was provided funds to purchase a Type 6 engine that was then donated to the District through a transfer of title. Under the ICA, the District agreed to title, license, insure the engine and manage the national fire resource orders and apparatus billing. Under the agreement, the District acts as a financial intermediary and passes on apparatus financial reimbursements to SOCO. The District receives an administration fee up to 10% or $10,000 per resource order for the District's support. This fee and other expenses incurred by the District for the Type 6 engine are deducted from the total apparatus pay out to SOCO. If at any time the District or SOCO agree that the above arrangement is no longer desired or needed, the District will transfer the title for the Type 6 engine to another SOCO partner agency for insurance and administrative management. If SOCO dissolves or otherwise ceases operations, the Type 6 engine will be moved to Teller County and shared equally between the 4-Mile Fire Protection District and the District. The ICA in whole or in part will be reviewed at least annually each July or as requested by the District or SOCO to evaluate the need for updates and changes.

The District recorded the Type 6 engine as a capital asset and a donation during the year ended December 31, 2025, on the government-wide financial statements of $230,000. The district recorded the Type 6 engine as a donation and capital outlay during the year ended December 31, 2025, on the fund financial statements of $230,000. The Type 6 engine was not placed in service as of December 31, 2025, but was placed into service on January 1, 2026. No wildland fire activity took place under the ICA during the year ended December 31, 2025 and activities commenced subsequent to December 31, 2025.

The initial donation and use of the new Type 6 engine was captured in a Memorandum of Understanding ("MOU") between the District, SOCO, and the donor dated October 25, 2025. Under the MOU, the Type 6 engine was initially titled to SOCO and the District agreed to license, insure, and assist in any billing for the wildland fire use. Under the MOU, should SOCO cease to exist or cease to be operational in the future, the Type 6 engine would be transferred to the District. The ICA was entered into after the MOU was established and required the title transfer and donation to the District from SOCO and clarified the operations, and related contingencies, of the Type 6 engine.

12. CORRECTION OF ERRORS ON PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The previously issued December 31, 2024 financial statements included the following errors:

- The District did not recognize grant revenue of $33,205 and wildland fire revenue of $13,467 that was earned during the year ended December 31, 2024.
- The District did not recognize $20,120 of depreciation incurred during the year ended December 31, 2024.

	As Previously Reported	Adjustment	As Restated
Government-wide financial statements:			
Financial statement line items:			
Grants receivable	$ -	$ 33,205	$ 33,205
Wildland fire receivable	-	13,467	13,467
Accumulated depreciation	(1,255,961)	(20,120)	(1,276,081)
Net position	1,244,937	26,552	1,271,489
Fund financial statements:			
Financial statement line items:			
Grants receivable	$ -	$ 33,205	$ 33,205
Wildland fire receivable	-	13,467	13,467
General fund balance	423,865	13,467	437,332
Capital projects fund balance	-	33,205	33,205

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REQUIRED SUPPLEMENTARY INFORMATION

FLORISSANT FIRE PROTECTION DISTRICT

SCHEDULE OF DISTRICT'S STATUTORY PAYROLL CONTRIBUTIONS AND COVERED PAYROLL FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE RETIREMENT PLAN

YEAR ENDED DECEMBER 31, 2025

		2024
Statutorily required contribution	$	4,592
Contributions in relation to the statutorily required contribution		(4,592)
Contribution deficiency (excess)	$	-
District's covered payroll	$	45,920
Contributions as a percentage of covered payroll		10.00%

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

The accompanying notes and independent auditor's report should be read with these financial statements.

FLORISSANT FIRE PROTECTION DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE RETIREMENT PLAN

YEAR ENDED DECEMBER 31, 2025

Measurement Period Ending December 31,	2024
District's portion of the net pension liability/(asset)	0.004211394%
District's proporitonate share of the net pension liability/(asset)	$ -
District's covered payroll	$ 45,920
District's proportionate share of the net pension liability/(asset) as a percentage of its covered	0.00%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	100%

* The amounts presented for each year were determined as of 12/31

The accompanying notes and independent auditor's report should be read with these financial statements.

SUPPLEMENTARY INFORMATION

FLORISSANT FIRE PROTECTION DISTRICT

CAPITAL PROJECTS FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 93,365	$ 93,619	$ 254
Specific ownership taxes	440	8,587	8,147
Donations and contributions	-	455,656	455,656
Grants	609,256	22,590	(586,666)
Total revenues	703,061	580,452	(122,609)
EXPENDITURES			
Operations	-	2,716	(2,716)
Capital outlay	700,325	556,699	143,626
Total expenditures	700,325	559,415	140,910
Excess of revenues over expenditures	2,736	21,037	18,301
OTHER FINANCING SOURCES AND USES			
Proceeds from sale of capital assets	-	9,300	9,300
Total other financing sources and uses	-	9,300	9,300
Net change in fund balance	$ 2,736	30,337	$ 27,601
Fund balance, beginning of year		33,205	
Fund balance, end of year		$ 63,542	

The accompanying notes and independent auditor's report should be read with these financial statements.