

Boulder Rural Fire Protection District
Boulder County, Colorado

**Annual Financial Report and
Independent Auditors' Report**

December 31, 2025



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Independent Auditors' Report

To the Board of Directors
Boulder Rural Fire Protection District

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Boulder Rural Fire Protection District, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boulder Rural Fire Protection 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Boulder Rural Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 Boulder Rural Fire Protection 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 Boulder Rural Fire Protection 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.

Report on Summarized Comparative Information

We have previously audited Boulder Rural Fire Protection District's 2024 financial statements, and our report dated September 23, 2025, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the General Fund and pension schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.



Littleton, Colorado
July 27, 2026

**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

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

Background Information

The District was created in 1957 by a number of citizens concerned about fire protection for their homes and businesses. The predominant fund approach for the District was comprised of two basic funds - the General Fund and a Volunteer Firefighters' Pension Fund.

On May 7, 1995 the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the District in 1992. In May 1995, the voters approved a 2.0 mill increase to hire the District's first full-time career firefighters and on May 2, 2006, the voters approved a mill levy increase of 4.0 mills. In November 2015, the voters approved a mill levy increase of 4.0 mills. The final mill levy for the District was set at 15.747 mills for 2025.

Financial Highlights

- The District's net position increased \$1,022,984 during 2025.
- Property Tax and Specific Ownership Tax Revenue accounted for \$6,407,712 or 88% of total revenues. Program specific revenues, Investment income, and Miscellaneous income accounted for \$893,717 or 12% of total revenues of \$7,301,429.
- The District had \$6,278,445 in expenses related to governmental activities; \$409,972 of these expenses were offset by program specific charges for services. General revenues of property, and specific ownership taxes combined with interest and other revenues were used to provide for these governmental activities.
- The District had asset additions of \$1,119,756 during 2025.
- The District had \$45,618 asset deletions during 2025.
- The District had no outstanding long-term debt at 2025 year-end.

**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

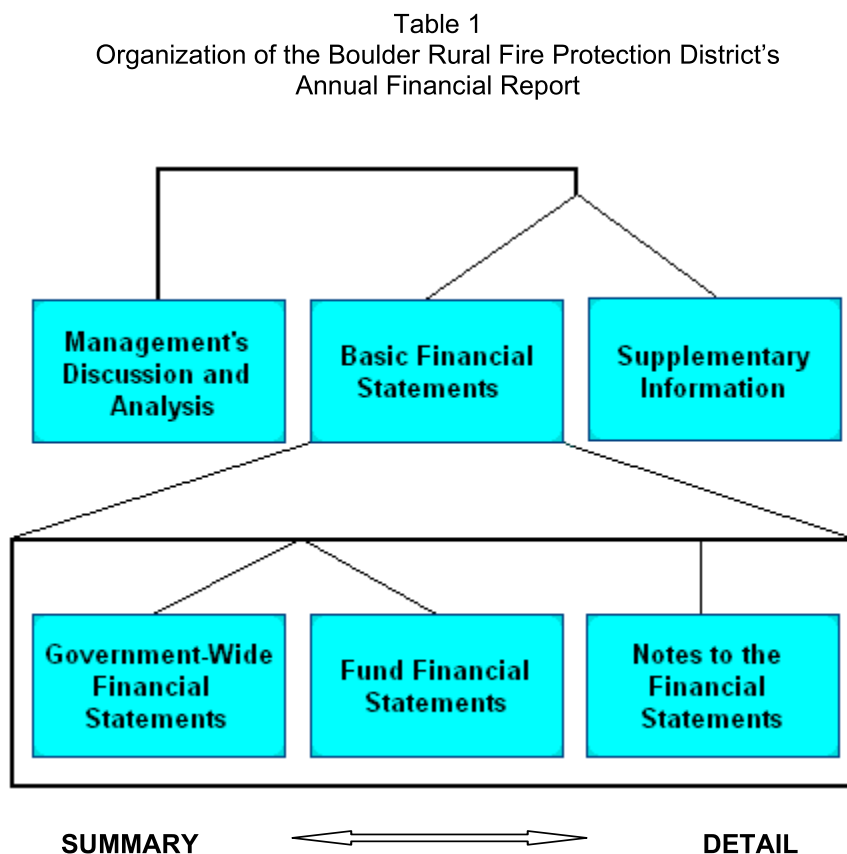
Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as fire protection were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.



**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

Table 2 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund, found in the basic financial statements.

**Table 2
Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District which are not proprietary or fiduciary.
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

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 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. To assess the District's overall health, the reader needs to consider additional non-financial factors such as the condition of buildings and equipment.

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 flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). Included in governmental activities are most of the District's basic services such as fire protection.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has one governmental fund.

- *Governmental fund*: Most of the District's basic services are included in a governmental fund, which generally focuses on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental fund statements explaining the relationship (or difference) between them.

The Boulder Rural Fire District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund which is considered a major fund.

**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

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 and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This includes the required general fund budgetary comparison schedule, and the required pension information schedules.

Financial Analysis of the District as a Whole

Net Position and Changes in Net Position

The District's combined net position was greater on December 31, 2025, than it was the year before, increasing by 7% to \$15,407,946. This increase in the District's financial position came from its governmental activities. Table 3 provides a summary of the District's net position at December 31:

**Table 3
Condensed Statement of Net Position**

	2025	2024
Assets		
Current Assets	\$15,102,211	\$14,681,518
Capital assets, net	6,855,535	6,161,186
Total assets	21,957,746	20,842,704
Deferred outflows of resources	1,202,933	1,349,799
Liabilities		
Current liabilities	349,570	349,984
Noncurrent liabilities	1,255,514	1,177,258
Total liabilities	1,605,084	1,527,242
Deferred inflows of resources	6,147,649	6,280,299
Net position		
Investment in capital assets	6,855,535	6,161,186
Restricted for Emergencies	235,500	235,500
Unrestricted	8,316,911	7,988,276
Total Net Position at December 31	\$15,407,946	\$14,384,962

**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

Table 4 provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**Table 4
Condensed Statement of Activities**

	<u>2025</u>	<u>2024</u>
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 409,972	\$ 339,511
General revenues		
Property taxes and specific ownership	6,407,712	6,906,002
Earnings on investments	408,116	428,802
Other	75,629	69,637
	<u> </u>	<u> </u>
Total revenues	<u>\$ 7,301,429</u>	<u>\$ 7,743,952</u>
<u>Expenses</u>		
Personnel	\$ 4,758,393	\$ 3,961,844
Administration	512,128	476,134
Office expenses	114,112	125,135
Operations	716,318	814,601
Training	177,494	189,265
	<u> </u>	<u> </u>
Total expenses	<u>\$ 6,278,445</u>	<u>\$ 5,566,979</u>
Increase in net position	<u><u>\$ 1,022,984</u></u>	<u><u>\$ 2,176,973</u></u>

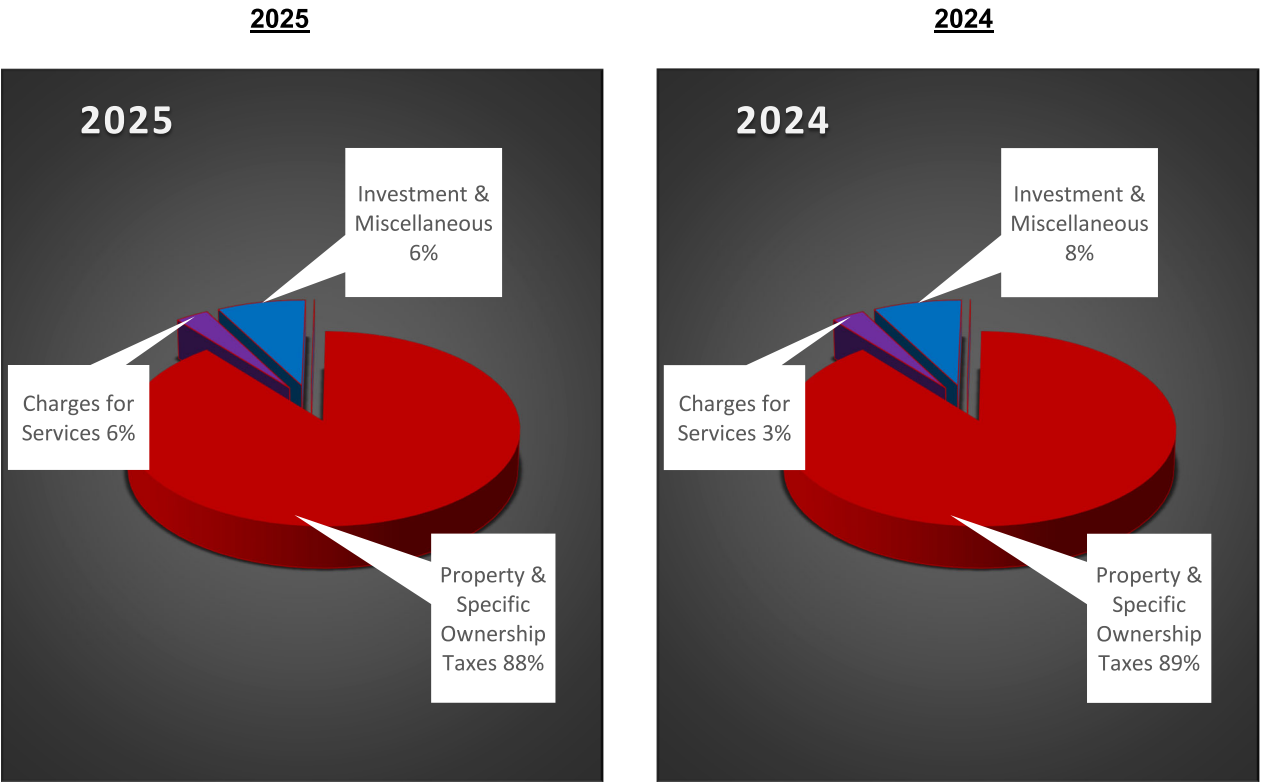
Property and specific ownership taxes account for most of the District's revenue, contributing .88 cents for every dollar raised (see Table 5) displayed on the following page. The remainder came from charges for services, earnings on investments, and miscellaneous sources.

The District expenses predominantly relate to fire protection and emergency medical services, which includes administration, firefighting, ambulance, prevention, communication, and vehicle and facility maintenance. Given that the District is a service organization providing fire protection, the majority of the expenses are salaries and related employee benefits.

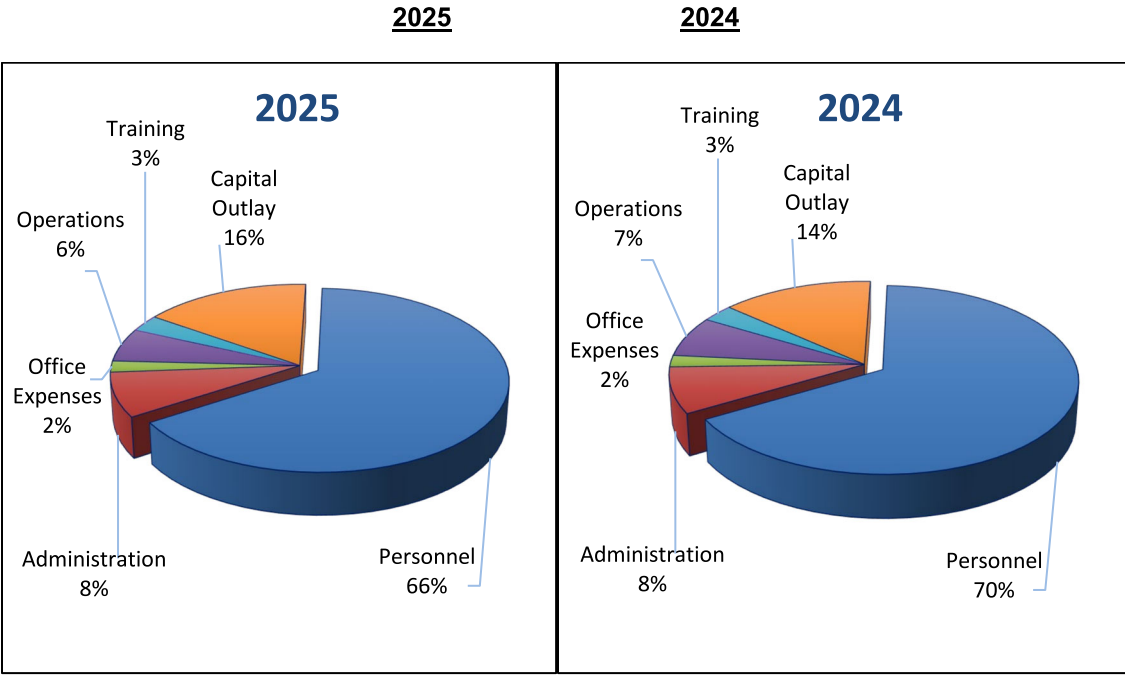
**Boulder Rural Fire Protection District
Management’s Discussion and Analysis
For the Year Ended December 31, 2025**

Detailed below in Tables 5 and 6 are charts displaying revenues by sources and expenses by program for the total District.

**Table 5
Sources of Revenues**



**Table 6
Governmental Fund Expenditures**



**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

Governmental Activities

The increase in net position for governmental activities was \$1,022,984 for 2025.

The governmental funds monitor cash resources and expenditures. Capital outlay for 2025 was \$1,119,755, which included a new Tender Engine, and two new Command Pickup Trucks. There were \$45,618 capital disposals in 2025.

The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. Table 7 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**Table 7
Net Cost of Governmental Activities**

	2025 Total Cost of Services	2025 Net Cost of Services
Personnel	\$ 4,758,393	\$ 4,758,393
Administration	512,128	102,156
Office expense	114,112	114,112
Operations	716,318	716,318
Training	<u>177,494</u>	<u>177,494</u>
Total	<u>\$ 6,278,445</u>	<u>\$ 5,868,473</u>

Financial Analysis of The District's Funds

General Fund

The general fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for the functional areas of the organization - personnel, administration, office expense, operations, and training. The general fund also provides for such other items as insurance, utilities, and other costs the District incurs. The primary funding source for the general fund is taxation of real property. Other sources of income for the general fund include earnings on investments, grants, charges for services, and miscellaneous revenues.

Property tax revenue decreased in 2025 compared to 2024, mainly from lower property assessment values. Investment earnings also decreased slightly in the COLOTrust investment account, due to market fluctuations in 2025 compared to 2024.

Personnel expenses increased due to raises, new positions added for coverage and increases in acting pay. The primary projects or program efforts for establishing needed funding during 2025 were:

1. Salaries and benefits for all existing full-time personnel of the District.
2. Normal operational costs of the District.

**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's budget for the general fund anticipated that revenues combined with other financing sources would exceed expenditures with an increase in fund balance. Actual results for the year show a \$579,155 increase in fund balance. A few of the factors contributing to this:

1. Personnel Services actuals were under budget. Some of the highlights include:
 - Salaries: Salary costs came in under budget for 2025 due to vacant positions and the timing of new hires. The severity staffing budget, set aside for unforeseen emergencies and wildfire situations, was also under budget since qualifying emergencies and wildfire activity was lower than projected.
 - Employee Benefits: Costs for employee benefits, including health care, the District's contributions to employee pension plans, death and disability insurance, 457 matches, awards, and physical exams all came in lower than anticipated and under budget for 2025.
2. Training costs were lower than budgeted. Contract training instructors' final billings in 2025 were less than anticipated.
3. Capital Outlay actuals were lower than budgeted due to the command pick-up trucks' final cost being lower than projected.
4. Investment income was higher than the budget due to higher investment returns from funds invested in COLOTRUST.

It should be noted that the District's budget format is designed to establish and monitor divisional functions of the Fire District's operations to align expenses more closely with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- Personnel
- Administration
- Office Expense
- Operations
- Training

The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). On December 31, 2025, the District's TABOR reserve amounted to \$235,500.

Capital Assets and Debt Administration

Capital Assets

By the end of 2025, the District had net invested \$6,855,535, in a broad range of capital assets, including land, buildings, site improvements, vehicles and other equipment. (See Table 8). This amount represents a net increase of \$694,349 or 11% from last year.

**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

**Table 8
Capital Assets (Net of Depreciation)**

	Activities		% of Change 2024-2025
	2025	2024	
Land	\$ 450,000	\$ 450,000	0.0%
Construction in Progress	2,051	100,634	-98%
Buildings and improvements	5,630,164	5,630,164	0.0%
Vehicles	4,405,784	3,754,489	17.3%
Machinery and Equipment	1,251,190	830,398	50.7%
Accumulated Depreciation	<u>(4,883,654)</u>	<u>(4,604,499)</u>	<u>6.1%</u>
Total	\$ 6,855,535	\$ 6,161,186	11.3%

Long-Term Debt

There was no long-term debt incurred by the District in 2025.

Defined Benefit Pension Plans

Volunteer Pension Plan

At December 31, 2025, the District reported a Net Pension Liability for the Volunteer Pension Plan of \$752,917. This amount represents the present value of projected future benefits to volunteers based on their past service, less the current assets in the plan.

Present Value of Future Benefits - Plan Assets = Net Pension Liability/(Asset)

When reviewing the plan, the actuarial study determines the annual contribution required to meet the future liability. The District's actuarially determined contribution ("ADC") to the Volunteer Firefighter Pension Plan for the year ended December 31, 2025 was \$76,423. Actual contributions in 2025 totaled \$143,451 (\$84,051 from the District and \$59,400 from the State of Colorado), \$67,028 in excess of the ADC. The District's most recent actuarial study indicated that the current levels of contributions to the plan are adequate to support the present plan. Should the District contribute at a rate above the ADC, the plan will be fully funded earlier than necessary.

Contributions to the Plan from the District were \$84,051 and from the State of Colorado were \$59,400 for the year ended December 31, 2025.

Statewide Retirement Plan (SRP).

The SRP Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Employer contribution rates for the SRP Plan are set by state statute. Member contribution rates can be amended by state statute or election of the membership. In 2014, the members elected to increase the member contribution rate to the SRP Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually beginning in 2021 through 2022 to a total of 12 percent of

**Boulder Rural Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2025**

pensionable earnings thereafter. Employer contributions increase 0.5 percent starting in 2021 annually through 2030 and thereafter to a total of 13% of pensionable earnings resulting in a combined contribution rate of 25% percent in 2030. In 2025 the District contributed 10.5% for FPPA contributions, and 3.8% for Death & Disability insurance on behalf of its members.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Boulder Rural Fire Protection District at 6230 Lookout Road, Boulder, Colorado 80301.

Basic Financial Statements

Boulder Rural Fire Protection District
Statement of Net Position
December 31, 2025
(with comparative totals for December 31, 2024)

	Governmental Activities	
	2025	2024
Assets		
Cash and investments	\$ 8,833,550	\$ 8,367,253
Receivables		
Property taxes	6,036,877	6,168,959
Accounts	141,293	36,009
Leases	68,394	93,761
Prepaid items	22,097	15,536
Capital assets, not being depreciated	452,051	550,634
Capital assets, being depreciated, net	6,403,484	5,610,552
Total assets	<u>21,957,746</u>	<u>20,842,704</u>
Deferred Outflows of Resources		
Pension related amounts - volunteer pension fund	96,108	112,810
Pension related amounts - SRP	1,106,825	1,236,989
Total deferred outflows of resources	<u>1,202,933</u>	<u>1,349,799</u>
Liabilities		
Accounts payable	106,024	180,845
Accrued expenses	243,546	169,139
Noncurrent liabilities		
Net pension liability - volunteer pension	752,917	746,150
Accrued compensated absences	502,597	431,108
Total liabilities	<u>1,605,084</u>	<u>1,527,242</u>
Deferred Inflows of Resources		
Deferred property taxes	6,036,877	6,168,959
Deferred lease revenue	64,914	90,880
Pension related amounts - SRP	45,858	20,460
Total deferred inflows of resources	<u>6,147,649</u>	<u>6,280,299</u>
Net Position		
Investment in capital assets	6,855,535	6,161,186
Restricted for emergencies	235,500	235,500
Unrestricted	8,316,911	7,988,276
Total net position	<u>\$ 15,407,946</u>	<u>\$ 14,384,962</u>

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

Boulder Rural Fire Protection District
Statement of Activities
For the Year ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

Functions/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contribution	Governmental Activities 2025	2024
Primary government						
Governmental Activities						
Personnel services	\$ 4,758,393	\$ -	\$ -	\$ -	\$ (4,758,393)	\$ (3,961,844)
Administration	512,128	409,972	-	-	(102,156)	(136,623)
Office expense	114,112	-	-	-	(114,112)	(125,135)
Operations	716,318	-	-	-	(716,318)	(814,601)
Training	177,494	-	-	-	(177,494)	(189,265)
Total governmental activities	<u>\$ 6,278,445</u>	<u>\$ 409,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,868,473)</u>	<u>(5,227,468)</u>
General revenues:						
Property taxes					6,130,340	6,649,641
Specific ownership taxes					277,372	256,361
Investment income					408,116	428,802
Other					<u>75,629</u>	<u>69,637</u>
Total General Revenues					<u>6,891,457</u>	<u>7,404,441</u>
Change in net position					1,022,984	2,176,973
Net position - beginning of year					<u>14,384,962</u>	<u>12,207,989</u>
Net position - end of year					<u>\$ 15,407,946</u>	<u>\$ 14,384,962</u>

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

Boulder Rural Fire Protection District
Governmental Fund Balance Sheet and
Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position
December 31, 2025
(with comparative totals for December 31, 2024)

	General Fund	
	2025	2024
Assets		
Cash and investments	\$ 8,598,050	\$ 8,131,753
Cash and investments restricted	235,500	235,500
Property taxes receivable	6,036,877	6,168,959
Accounts receivable	141,293	36,009
Lease receivable	68,394	93,761
Prepaid expenses	22,097	15,536
Total assets	<u>\$ 15,102,211</u>	<u>\$ 14,681,518</u>
Liabilities		
Accounts payable	106,024	180,845
Accrued expenses	243,546	169,139
Total liabilities	<u>349,570</u>	<u>349,984</u>
Deferred Inflows of Resources		
Deferred property tax revenues	6,036,877	6,168,959
Deferred lease revenue	64,914	90,880
Total deferred inflows of resources	<u>6,101,791</u>	<u>6,259,839</u>
Fund Balances		
Nonspendable:		
Prepays	22,097	15,536
Restricted for emergencies	235,500	235,500
Unassigned	8,393,253	7,820,659
Total fund balances	<u>8,650,850</u>	<u>8,071,695</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,102,211</u>	<u>\$ 14,681,518</u>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental fund financial statements.		
Capital assets, net	6,855,535	6,161,186
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the governmental fund financial statements.		
Accrued compensated absences	(502,597)	(431,108)
Net pension assets and liabilities and related deferred outflows and inflows of resources represent the acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the governmental fund financial statements.		
Net pension liability - volunteer pension	(752,917)	(746,150)
Deferred inflows of resources - pension plans	(45,858)	(20,460)
Deferred outflows of resources- pension plans	1,202,933	1,349,799
Net position of governmental activities	<u>\$ 15,407,946</u>	<u>\$ 14,384,962</u>

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

Boulder Rural Fire Protection District
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Fund
For the Year Ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	General Fund	
	2025	2024
Revenues		
Property taxes	\$ 6,130,340	\$ 6,649,641
Specific ownership taxes	277,372	256,361
Charges for services	409,972	339,511
Investment income	408,116	428,802
Miscellaneous	176,263	69,637
Total Revenues	7,402,063	7,743,952
Expenditures		
General Government		
Personnel services	4,507,874	4,155,789
Administration	512,128	476,134
Office expense	114,112	125,135
Operations	391,545	473,917
Training	177,494	189,265
Capital outlay	1,119,755	855,575
Total Expenditures	6,822,908	6,275,815
Net Changes in Fund Balances	579,155	1,468,137
Fund balances, beginning of year	8,071,695	6,603,558
Fund balances, end of the year	<u>\$ 8,650,850</u>	<u>\$ 8,071,695</u>

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

Boulder Rural Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2025
(with comparative totals for the year ended December 31, 2024)

	<u>2025</u>	<u>2024</u>
Net change in fund balances—total governmental fund	\$ 579,155	\$ 1,468,137
Amounts reported for governmental activities in the statement of activities are different because:		
In the statement of activities, the adjustment to construction in process is reported for refunded capital outlay. However, in the governmental funds, the refund increased financial resources.		
Refunded capital outlay	(100,634)	-
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	1,119,755	802,570
Depreciation expense	(324,773)	(287,679)
The change in compensated absences in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds		
	(71,489)	(7,921)
Changes in liabilities, deferred outflows of resources, and deferred inflows of resources related to the District's statewide and volunteer retirement plans are recognized on the statement of activities and are not reflected as an expense on the statement of revenues, expenditures, and changes in fund balance.		
Change in pension-related balances - SRP	(155,561)	101,452
Change in pension-related balances - volunteer pension	<u>(23,469)</u>	<u>100,414</u>
Changes in net position of governmental activities	<u>\$ 1,022,984</u>	<u>\$ 2,176,973</u>

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

Boulder Rural Fire Protection District

Notes to Financial Statements

December 31, 2025

(with comparative totals for December 31, 2024)

1. Definition of Reporting Entity

The Boulder Rural Fire Protection District (the “District”) is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes ("C.R.S."). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof which includes the power to levy taxes against property within the District.

In accordance with governmental accounting standards, the Boulder Rural Fire Protection District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

2. Summary of Significant Accounting Policies

The accounting policies of the Boulder Rural Fire Protection District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Following is a summary of the more significant policies:

Basis of Accounting

The financial statements of the Boulder Rural Fire Protection District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not report any *business-type activities*.

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

2. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of the 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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, charges for services, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

2. Summary of Significant Accounting Policies (continued)

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

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources and activities of the District.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Accounts Receivable

Receivables consist of amounts due for services provided. An allowance for doubtful accounts is not necessary as amounts due have been fully collected in the succeeding year.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

Prepaid Items

Payment made to vendors for goods or services that will benefit periods beyond year-end are recorded as prepaid items or deposits in the government-wide and governmental fund financial statements and will be reported as expenditures in the following year. Because these assets do not represent current financial resources, they are included in the non-spendable fund balance.

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

2. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets include property and equipment, which are reported in the 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 an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Buildings and Improvements	7- 40 years
Machinery and Equipment	5- 10 years
Vehicles	10- 25 years

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Compensated Absences

Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment with the District, an employee may be compensated for accrued vacation and sick time at the current rate of pay. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned either through use or payment. In addition, sick leave is paid out on a three-for-one basis (i.e., three sick days for one day's pay) for certain eligible employees and are also accrued as a liability when earned and estimated to be used or paid.

Leases

The District is a lessor of a long-term lease of certain real property of the District. The District recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of the lease, the District initially measures the lease receivable at the present

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

2. Summary of Significant Accounting Policies (continued)

value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of financial position and balance sheets reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position and Fund Balance

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

- *Investment in Capital Assets* - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position* - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, which are not restricted for any project or other purpose.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

2. Summary of Significant Accounting Policies (continued)

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The District reported \$22,097 and \$15,536 in nonspendable fund balance as of December 31, 2025 and 2024, respectively.
- *Restricted fund balance* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The District reported \$235,500 and \$235,500 in restricted fund balance as of December 31, 2025 and 2024, respectively.
- *Committed fund balance* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not report any committed fund balance as of December 31, 2025 and 2024, respectively.
- *Assigned fund balance* - This classification reflects the amounts constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The District has not adopted a formal policy designating personnel to determine amounts that may be assigned, therefore, only the Board of Directors may assign amounts. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. The District did not report any assigned fund balances as of December 31, 2025 and 2024, respectively.
- *Unassigned fund balance* – amounts that are available for any purpose.

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

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

2. Summary of Significant Accounting Policies (continued)

Estimates

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

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, District Management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

Boulder Rural Fire Protection District

Notes to Financial Statements (continued)

December 31, 2025

(with comparative totals for December 31, 2024)

3. Cash and Investments

A summary of deposits and investments as of December 31, 2025 and 2024 follows:

	<u>2025</u>	<u>2024</u>
Cash deposits	\$ 321,120	\$ 254,703
Investments	8,512,430	8,112,550
Total Cash and Investments	<u>\$ 8,833,550</u>	<u>\$ 8,367,253</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2025 and 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has not adopted a formal investment policy; however, it limits its investments to those allowed by Colorado Revised Statute 31-30-1113 as described below under Credit Risk.

At December 31, 2025, the District had deposits with financial institutions with a carrying amount of \$321,120. The bank balances with the financial institutions were \$319,633. Of these balances \$250,000 was covered by federal depository insurance and \$69,633 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

At December 31, 2024, the District had deposits with financial institutions with a carrying amount of \$254,703. The bank balances with the financial institutions were \$251,053. Of these balances \$250,000 was covered by federal depository insurance and \$1,053 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

3. Cash and Investments (continued)

Investments

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Board. In accordance with Colorado Revised Statutes, the District manages its exposure to declines in fair value by limiting the weighted average maturity of its investments.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- 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,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pool

The District had invested \$8,512,430 and \$8,112,550 at December 31, 2025 and 2024 respectively, in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. The District's investments are currently invested in COLOTRUST PLUS+.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury

Boulder Rural Fire Protection District

Notes to Financial Statements (continued)

December 31, 2025

(with comparative totals for December 31, 2024)

3. Cash and Investments (continued)

securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Colorado Revised Statutes 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 AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

4. Lease Receivable

The District receives payments under a long-term lease of certain real property of the District. The lease receivable is recorded in an amount equal to the present value of the expected future minimum lease payments received, discounted by an applicable interest rate of 4.3%. The lease expires June 30, 2028. The lease is amortized as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 26,480	\$ 2,320	\$ 28,800
2027	27,641	1,159	28,800
2028	14,272	128	14,400
	<u>\$ 68,393</u>	<u>\$ 3,607</u>	<u>\$ 72,000</u>

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

5. Capital Assets

An analysis of the changes in capital assets for the years ended December 31, 2025 and 2024 is shown in the following tables. Depreciation expense for both years was charged to Operations on the Statement of Activities.

	Balance December 31, 2024	Additions	Deletions	Adjustments	Balance December 31, 2025
Governmental Activities					
Capital assets, <i>not being depreciated</i> :					
Land and improvements	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000
Construction in progress	100,634	2,051	-	(100,634)	2,051
Total capital assets, <i>not being depreciated</i>	550,634	2,051	-	(100,634)	452,051
Capital assets, <i>being depreciated</i> :					
Buildings and improvements	5,630,164	-	-	-	5,630,164
Machinery and equipment	830,398	420,792	-	-	1,251,190
Vehicles	3,754,489	696,913	(45,618)	-	4,405,784
Total capital assets, <i>being depreciated</i>	10,215,051	1,117,705	(45,618)	-	11,287,138
Less accumulated depreciation:					
Buildings and improvements	(2,102,428)	(134,377)	-	-	(2,236,805)
Machinery and equipment	(688,422)	(10,939)	-	-	(699,361)
Vehicles	(1,813,649)	(179,457)	45,618	-	(1,947,488)
Total Accumulated Depreciation	(4,604,499)	(324,773)	45,618	-	(4,883,654)
Total capital assets, <i>being depreciated, net</i>	5,610,552	792,932	-	-	6,403,484
Capital assets, <i>net</i>	\$ 6,161,186	\$ 794,983	\$ -	\$ (100,634)	\$ 6,855,535

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

5. Capital Assets (continued)

	Balance December 31, 2023	Additions	Deletions	Adjustments	Balance December 31, 2024
Governmental Activities					
Capital assets, <i>not being depreciated</i> :					
Land and improvements	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000
Construction in progress	-	100,634	-	-	100,634
Total capital assets, <i>not being depreciated</i>	450,000	100,634	-	-	550,634
Capital assets, <i>being depreciated</i> :					
Buildings and improvements	5,598,239	31,925	-	-	5,630,164
Machinery and equipment	767,968	87,755	(25,325)	(25,325)	830,398
Vehicles	3,172,233	582,256	-	-	3,754,489
Total capital assets, <i>being depreciated</i>	9,538,440	701,936	(25,325)	(25,325)	10,215,051
Less accumulated depreciation:					
Buildings and improvements	(1,969,038)	(133,390)	-	-	(2,102,428)
Machinery and equipment	(683,954)	(29,793)	25,325	25,325	(688,422)
Vehicles	(1,689,153)	(124,496)	-	-	(1,813,649)
Total Accumulated Depreciation	(4,342,145)	(287,679)	25,325	25,325	(4,604,499)
Total capital assets, <i>being depreciated, net</i>	5,196,295	414,257	-	-	5,610,552
Capital assets, <i>net</i>	\$ 5,646,295	\$ 514,891	\$ -	\$ -	\$ 6,161,186

6. Compensated Absences

Compensated absences are accrued at 100% of employee balances as the full balance is expected to be used or paid. The District reported compensated absences as follows:

	Balance December 31, 2024	Additions	Balance December 31, 2025
Compensated Absences	\$ 431,108	\$ 71,489	\$ 502,597

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans

Volunteer Firefighters' Pension Plan

Plan description. The District has established the Volunteer Firefighters' Pension Plan (the "Plan"). As of January 1, 2025, the actuarial valuation date for both reporting years, the Plan had 36 retirees and beneficiaries.

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 comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

Benefits provided. Any firefighter who has both attained the age of 50 and completed 20 years of active service shall be eligible for a monthly pension. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. A firefighter, who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity which extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute.

Funding Policy. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023 determined the contribution amounts for 2024 and 2025.

For the measurement periods ended December 31, 2025 and 2024, the District contributions were \$84,051 and \$84,051 respectively, towards meeting the unfunded liability. In addition, the State of Colorado contributions were \$59,400 and \$0, respectively.

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

At December 31, 2025 and 2024, the District reported net pension liabilities of \$752,917 and \$746,150. The liability used to calculate the net pension liabilities was determined by an actuarial valuation as of January 1, 2025, and measurement dates of December 31, 2024 and December 31, 2023. The measurement dates are within one year of the plan sponsor's fiscal years ended of December 31, 2025 and December 31, 2024, and may be used for December 31, 2025 and December 31, 2024 reporting purposes. Changes in Net Pension Liability is reported as follows:

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

Fiscal year ended December 31,	<u>2025</u>	<u>2024</u>
Total pension liability		
Service cost	\$ 2,331	\$ 2,331
Interest	95,689	98,635
Difference between expected and actual experience	(13,420)	-
Changes of assumptions	118,398	-
Benefit Payments	<u>(146,575)</u>	<u>(139,640)</u>
Net change in total pension liability	56,423	(38,674)
 Total pension liability - Beginning	 1,437,890	 1,476,564
Total pension liability - Ending (a)	1,494,313	1,437,890
 Plan fiduciary net position		
Employer contributions	84,051	78,398
Net investment income	64,861	61,647
Benefit payments	(146,575)	(139,640)
Administrative expense	(12,081)	(13,062)
State of Colorado supplemental discretionary payment	<u>59,400</u>	<u>-</u>
Net change in plan fiduciary net position	49,656	(12,657)
 Plan fiduciary net position - beginning	 691,740	 704,397
Plan fiduciary net position - end (b)	<u>741,396</u>	<u>691,740</u>
District's net pension liability - ending (a)-(b)	752,917	746,150
 Plan fiduciary net position as a percentage of the total pension liability	 49.61%	 48.11%

For the years ended December 31, 2025 and 2024, the District recognized pension expense (income) related to this plan of \$107,520 and \$(16,363). At December 31, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

	2025		2024	
	Deferred Outflows of resources	Deferred Inflows of resources	Deferred Outflows of resources	Deferred Inflows of resources
Net Difference between Projected and Actual				
Earnings on Pension Plan Investments	\$ 12,057	\$ -	\$ 28,759	\$ -
Contributions Subsequent to Measurement Date	84,051	-	84,051	-
Total	<u>\$ 96,108</u>	<u>\$ -</u>	<u>\$ 112,810</u>	<u>\$ -</u>

The \$84,051 and \$84,051 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 years ended December 31, 2026 and December 31, 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2026	\$ 5,684
2027	16,139
2028	(6,372)
2029	<u>(3,394)</u>
	<u>\$ 12,057</u>

Actuarial assumptions: The actuarial assumptions are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2024. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023 and as such, the Total Pension Liability was measured using those assumptions as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	20 years
Asset valuation Period	5-year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: Pub-2010 Safety Healthy Employee Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off duty mortality. Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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 long-term expected rate of return on pension plan investments is 6.00%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 6.00%.

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

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Liquidity	4.00%	4.20%
Fixed Income- Rates	7.00%	5.00%
Fixed Income- Credit	7.00%	6.50%
Diversifiers	9.00%	5.70%
Long Short	6.00%	6.20%
Global Public Equity	33.00%	7.00%
Private Markets	34.00%	8.80%
Total	100.00%	

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.00%, 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:

For the fiscal year ending December 31, 2025

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Decrease (7.00%)
District's net pension liability	\$ 892,396	\$ 752,917	\$ 634,519

For the fiscal year ending December 31, 2024

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Decrease (8.00%)
District's net pension liability	\$ 871,717	\$ 746,150	\$ 638,703

State Fire and Police Pension Plan (FPPA)

The following information presented is from the Statewide Retirement Plan (SRP) GASB 68 report, which has a measurement date of December 31, 2024.

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.

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

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, 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 & 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 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 Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Description of Benefits. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. 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 benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

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 ten years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

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

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

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

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

Contributions. Contribution rates for the 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 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.

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

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.

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 at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

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

Pension. At December 31, 2025 and 2024, the District reported a liability of \$0 and \$0, respectively, for its proportionate share of the net pension liability. The net pension liability as of December 31, 2025 and 2024, is based upon the January 1, 2025 and 2024, actuarial valuations. The actuarially determined contributions as of December 31, 2024 and 2023, are based upon the January 1, 2024 and 2023, actuarial valuation.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2024, the District's proportion was approximately 0.2235 percent, a decrease of 0.0099 percent from the prior year. At December 31, 2023, the District proportion was 0.2236 percent.

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

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 assumptions and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
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%
*Includes 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 mortality 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.

Boulder Rural Fire Protection District

Notes to Financial Statements (continued)

December 31, 2025

(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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 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%	

Discount Rate. 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.

As of the measurement period ending December 31, 2024, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new 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.

Boulder Rural Fire Protection District

Notes to Financial Statements (continued)

December 31, 2025

(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

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 Analysis. Regarding the sensitivity of the net pension liability to changes in the single 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:

For the fiscal year ending December 31, 2025

	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	\$ 1,139,613	\$ -	\$ -

For the fiscal year ending December 31, 2024

	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	\$ 1,253,828	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of each stated discount rate above

Other Information. For the year ended December 31, 2025 and 2024, the District recognized pension expense related to this plan of \$420,659 and \$152,497, respectively. At December 31, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

7. Defined Benefit Pension Plans (continued)

	2025		2024	
	Deferred Outflows of resources	Deferred Inflows of resources	Deferred Outflows of resources	Deferred Inflows of resources
Difference between Expected and Actual Experience	\$ 561,173	\$ 17,553	\$ 425,839	\$ 20,460
Changes of Assumptions or other Inputs	200,839	-	247,003	-
Net Difference between Projected and Actual				
Earnings on Pension Plan Investments	79,715	-	305,713	-
Changes in Proportion and Differences between				
Contributions Recognized and Proportionate Share of				
Contributions	-	28,305	4,483	-
Contributions Subsequent to Measurement Date	265,098	-	253,950	-
Total	<u>\$ 1,106,824</u>	<u>\$ 45,858</u>	<u>\$ 1,236,988</u>	<u>\$ 20,460</u>

\$265,098 and \$253,950 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 years ended December 31, 2026 and December 31, 2025, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2026	\$ 219,762
2027	329,375
2028	14,231
2029	26,513
2030	77,589
Thereafter	<u>128,399</u>
	<u>\$ 795,869</u>

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 8.3043 years determined as of the beginning of the December 31, 2024 measurement period.

Boulder Rural Fire Protection District
Notes to Financial Statements (continued)
December 31, 2025
(with comparative totals for December 31, 2024)

8. 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 or volunteers; and natural disasters. The District maintains insurance through a commercial carrier for these risks of loss.

9. Commitments and Contingencies

Claims and Judgments - The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District believes that disallowed expenses, if any, would not have a material effect on the overall financial position of the District.

TABOR Amendment - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. The District has established an emergency reserve, representing a minimum of 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2025 and 2024 the emergency reserve was \$235,500 and \$235,500, respectively, as recorded in the General Fund.

10. Subsequent Events

The District has evaluated subsequent events through July 27, 2026, the date which the financial statements were issued.

Boulder Rural Fire Protection District

Required Supplementary Information

Boulder Rural Fire Protection District
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
December 31, 2025

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tax revenue	\$ 6,402,899	\$ 6,407,712	\$ 4,813
Charges for services	177,225	409,972	232,747
Investment income	300,000	408,116	108,116
Miscellaneous	983,681	176,263	(807,418)
Total Revenues	<u>7,863,805</u>	<u>7,402,063</u>	<u>(461,742)</u>
Expenditures:			
General Government			
Personnel services	4,999,816	4,507,874	491,942
Administration	524,479	512,128	12,351
Office expense	112,795	114,112	(1,317)
Operations	533,935	391,545	142,390
Training	286,780	177,494	109,286
Capital outlay	1,406,000	1,119,755	286,245
Total Expenditures	<u>7,863,805</u>	<u>6,822,908</u>	<u>1,040,897</u>
Excess Revenue Over (Under)			
Expenditures	<u>-</u>	<u>579,155</u>	<u>579,155</u>
Fund Balance—Beginning of year	<u>5,434,629</u>	<u>8,071,695</u>	<u>2,637,066</u>
Fund Balance—End of Year	<u><u>\$ 5,434,629</u></u>	<u><u>\$ 8,650,850</u></u>	<u><u>\$ 3,216,221</u></u>

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

Boulder Rural Fire Protection District

Required Supplementary Information

Volunteer Pension

Schedule of Changes in Net Pension Liability and Related Ratios Last 10 Years

Fiscal year ended December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 2,331	\$ 2,331	\$ 2,300	\$ 2,300	\$ 2,280	\$ 2,280	\$ 7,502	\$ 7,502	\$ 8,559	\$ 8,559
Interest	95,689	98,635	94,449	96,926	97,095	99,301	111,498	112,362	108,201	109,263
Difference between expected and actual experience	(13,420)	-	91,075	-	31,649	-	(103,330)	-	17,113	-
Changes of assumptions	118,398	-	9,688	-	-	-	50,845	-	54,661	-
Benefit Payments	(146,575)	(139,640)	(135,886)	(133,384)	(133,500)	(132,701)	(131,175)	(131,611)	(133,413)	(130,600)
Net change in total pension liability	56,423	(38,674)	61,626	(34,158)	(2,476)	(31,120)	(64,660)	(11,747)	55,121	(12,778)
Total pension liability - Beginning	1,437,890	1,476,564	1,414,938	1,449,096	1,451,572	1,482,692	1,547,352	1,559,099	1,503,978	1,516,756
Total pension liability - Ending (a)	1,494,313	1,437,890	1,476,564	1,414,938	1,449,096	1,451,572	1,482,692	1,547,352	1,559,099	1,503,978
Plan fiduciary net position										
Employer contributions	84,051	78,398	78,398	83,453	83,453	79,500	79,500	159,000	-	79,500
Net investment income	64,861	61,647	(57,853)	101,192	74,439	83,862	783	79,639	27,813	10,983
Benefit payments	(146,575)	(139,640)	(135,886)	(133,384)	(133,500)	(132,701)	(131,175)	(131,611)	(133,413)	(130,600)
Administrative expense	(12,081)	(13,062)	(9,947)	(9,477)	(7,781)	(8,784)	(9,035)	(8,806)	(1,134)	(1,590)
State of Colorado supplemental discretionary payment	59,400	-	29,700	59,400	29,700	-	29,700	29,700	29,700	29,700
Net change in plan fiduciary net position	49,656	(12,657)	(95,588)	101,184	46,311	21,877	(30,227)	127,922	(77,034)	(12,007)
Plan fiduciary net position - beginning	691,740	704,397	799,985	698,801	652,490	630,613	660,840	532,918	609,952	621,959
Plan fiduciary net position - end (b)	741,396	691,740	704,397	799,985	698,801	652,490	630,613	660,840	532,918	609,952
District's net pension liability - ending (a)-(b)	752,917	746,150	772,167	614,953	750,295	799,082	852,079	886,512	1,026,181	894,026
Plan fiduciary net position as a percentage of the total pension liability	49.61%	48.11%	47.71%	56.54%	48.22%	44.95%	42.53%	42.71%	34.18%	40.56%

Note: This schedule is intended to show information for ten years.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

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

Boulder Rural Fire Protection District

Required Supplementary Information

Volunteer Pension

Schedule of Employer Contributions

Year Ending***	Actuarially Required Contributions	Actual Employer Contributions *	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2025	\$ 76,423	\$ 143,451	\$ 67,028	\$ -	N/A **
12/31/2024	\$ 78,398	\$ 78,398	\$ -	\$ -	N/A **
12/31/2023	\$ 78,398	\$ 108,098	\$ 29,700	\$ -	N/A **
12/31/2022	\$ 83,453	\$ 142,853	\$ 59,400	\$ -	N/A **
12/31/2021	\$ 83,453	\$ 113,153	\$ 29,700	\$ -	N/A **
12/31/2020	\$ 79,500	\$ 102,338	\$ 22,838	\$ -	N/A **
12/31/2019	\$ 91,738	\$ 109,200	\$ 17,462	\$ -	N/A **
12/31/2018	\$ 91,738	\$ 109,200	\$ 17,462	\$ -	N/A **
12/31/2017	\$ 91,738	\$ 109,200	\$ 17,462	\$ -	N/A **
12/31/2016	\$ 91,738	\$ 109,200	\$ 17,462	\$ -	N/A **

Note: This schedule is intended to show information for ten years.

* Includes both employer and State of Colorado Supplementary Discretionary Payment.

** Ratio not applicable (N/A) since payroll is zero due to the plan covering volunteers.

*** Reported in District's fiscal year ending statements, but amounts are determined based on a measurement period from one year prior

Boulder Rural Fire Protection District

Required Supplementary Information

Statewide Retirement Plan

Schedule of Proportionate Share of the Net Pension Liability (Asset) and Related Ratios

Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2024	0.234%	\$ -	\$ 2,540,922	0.0%	100.0%
12/31/2023	0.224%	\$ -	\$ 2,196,770	0.0%	100.0%
12/31/2022	0.250%	\$ 221,634	\$ 2,180,566	10.2%	97.6%
12/31/2021	0.261%	\$ (1,416,283)	\$ 2,103,829	-67.3%	116.2%
12/31/2020	0.222%	\$ (482,632)	\$ 1,819,538	-26.5%	106.8%
12/31/2019	0.183%	\$ (103,341)	\$ 1,245,050	-8.3%	101.9%
12/31/2018	0.173%	\$ 218,896	\$ 1,059,533	20.7%	95.2%
12/31/2017	0.217%	\$ (312,322)	\$ 1,353,150	-23.1%	106.3%
12/31/2016	0.247%	\$ 89,114	\$ 1,268,637	7.0%	98.2%
12/31/2015	0.244%	\$ (4,305)	\$ 1,183,838	-0.4%	100.1%

Note: This schedule is intended to show information for ten years.

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

Boulder Rural Fire Protection District

Required Supplementary Information

Statewide Retirement Benefit Plan

Schedule of Employer Contributions

Year Ending	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2025	\$ 265,098	\$ 265,098	\$ -	\$ 2,524,740	10.5%
12/31/2024	\$ 253,950	\$ 253,950	\$ -	\$ 2,540,922	10.0%
12/31/2023	\$ 208,693	\$ 208,693	\$ -	\$ 2,196,770	9.5%
12/31/2022	\$ 195,516	\$ 195,516	\$ -	\$ 2,180,566	9%
12/31/2021	\$ 178,826	\$ 178,826	\$ -	\$ 2,103,829	9%
12/31/2020	\$ 145,563	\$ 145,563	\$ -	\$ 1,819,538	8%
12/31/2019	\$ 99,604	\$ 99,604	\$ -	\$ 1,245,050	8%
12/31/2018	\$ 84,763	\$ 84,763	\$ -	\$ 1,059,533	8%
12/31/2017	\$ 108,252	\$ 108,252	\$ -	\$ 1,353,150	8%
12/31/2016	\$ 101,652	\$ 101,652	\$ -	\$ 1,268,637	8%

Note: This schedule is intended to show information for ten years.