

**BROADMOOR FIRE
PROTECTION DISTRICT**

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended December 31, 2025

**BROADMOOR FIRE PROTECTION DISTRICT
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DECEMBER 31, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Broadmoor Fire Protection District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Broadmoor 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Broadmoor 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 the Broadmoor 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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.

Haeltling & Company, Inc.

Colorado Springs, Colorado

June 23, 2026

BROADMOOR FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED DECEMBER 31, 2025

As management of Broadmoor Fire Protection District (the District) we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the district exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1,674,376 (*net position*). Of this amount, \$1,379,312 (*unrestricted net position*) may be used to meet the District's ongoing obligations to its citizens and creditors.
- As of the close of the current fiscal year, the general fund reported an ending fund balance of \$1,226,158, an increase of \$361,829 in comparison with the prior year. \$1,177,525 of ending fund balance is available for spending at the District discretion (unassigned).
- At the end of the current fiscal year, total unassigned fund balance was 143.0% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances as a whole, in a manner similar to a private-sector business and include two statements:

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

The *statement of activities* presents information reporting how the District'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 result in cash flows in future fiscal periods. Accrued interest expense is an example of this type of item.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general and administrative activities and fire and emergency medical services. Currently, the District has no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant funds, not the District as a whole. The District has one fund: the General fund.

Governmental Funds: The District's basic services are included in this governmental fund, which focuses on (1) how money flows into and out of the fund and (2) the balances left at year-end that are available for spending or reserves. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. Also, the District adopts an annual appropriated budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, total assets and deferred outflows exceeded liabilities and deferred inflows by \$1,674,376 as of December 31, 2025. 15.9% of the District's assets are its investment in capital assets.

Condensed Statement of Net Position

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 2,025,953	\$ 1,650,753
Capital assets, net depreciation/amortization	<u>384,114</u>	<u>499,576</u>
Total assets	<u>2,410,067</u>	<u>2,150,329</u>
Deferred outflows of resources:		
Deferred pension outflows	<u>184,575</u>	<u>204,345</u>
Total deferred outflows of resources	<u>184,575</u>	<u>204,345</u>
Long-term liabilities	117,050	125,590
Other liabilities	<u>16,831</u>	<u>30,414</u>
Total liabilities	<u>133,881</u>	<u>156,004</u>
Deferred inflows of resources:		
Deferred pension inflows	3,421	5,107
Unavailable property tax revenue	<u>782,964</u>	<u>756,010</u>
Total deferred inflows of resources	<u>786,385</u>	<u>761,117</u>
Net position:		
Net investment in capital assets	267,064	373,986
Restricted	28,000	28,000
Unrestricted	<u>1,379,312</u>	<u>1,035,567</u>
Total net position	<u>\$ 1,674,376</u>	<u>\$ 1,437,553</u>

Condensed Statement of Activities

	<u>2025</u>	<u>2024</u>
Revenues:		
Program revenues		
Charges for services	\$ -	\$ -
Operating grants and contributions	47,000	-
General revenues:		
Property and other taxes	828,214	888,807
Interest income	48,587	42,138
Gain on asset disposal	135,078	-
Miscellaneous income	<u>5,114</u>	<u>65</u>
Total revenues	<u>1,063,993</u>	<u>931,010</u>
Expenses:		
General and administrative	46,338	48,209
Fire and emergency medical services	774,551	754,699
Interest	<u>6,281</u>	<u>6,496</u>
Total expenses	<u>827,170</u>	<u>809,404</u>
Change in net position	236,823	121,606
Net position – beginning	<u>1,437,553</u>	<u>1,315,947</u>
Net position - ending	<u>\$ 1,674,376</u>	<u>\$ 1,437,553</u>

ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The general fund is the operating fund of the District. The fund balance for the general fund was \$1,226,158 at the end of the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's general fund budget is prepared in accordance with state law. No changes were made to the general fund budget during the year. During the year, appropriations exceeded expenditures by \$28,954.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities at the end of the year was as follows:

	<u>2025</u>	<u>2024</u>
Vehicles	\$ 409,596	\$ 715,101
Equipment	305,110	299,344
Building	129,921	129,921
Accumulated depreciation/amortization	<u>(460,513)</u>	<u>(644,790)</u>
Capital assets, net	<u>\$ 384,114</u>	<u>\$ 499,576</u>

Long-term debt

At the end of the current year, the District had total debt outstanding of \$117,050.

	<u>2025</u>	<u>2024</u>
Leases	<u>\$ 117,050</u>	<u>\$ 125,590</u>

BUDGETARY AND ECONOMIC FACTORS

Budgetary Highlights and Outlook- There were no amendments to the 2025 budget during the year. Budgeted 2026 revenues are expected to decrease from 2025 due to having no anticipated capital asset sales in 2026. Certain expenditures for 2026 are expected to increase reflecting increases in salaries, capital outlays, and other costs of operations.

Economic and Environmental Factors

The housing market in the District continues to rise which is resulting in an increased tax base. This increased tax base may be affected by changes in property values as El Paso County conducts its bi-annual property valuations.

REQUESTS FOR INFORMATION

This financial report is designed to provide the District's taxpayers 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 an official at the District's administration office, 750 El Pomar Road, Colorado Springs, Colorado or phone (719) 633-1069.

BASIC FINANCIAL STATEMENTS

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

ASSETS

Cash and cash equivalents	\$ 1,216,082
Cash with County Treasurer	5,774
Receivables	500
Property tax receivable	782,964
Prepaid expenses	20,633
Capital assets being depreciated/amortized, net	<u>384,114</u>
Total Assets	<u>2,410,067</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension outflows	<u>184,575</u>
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LIABILITIES

Accounts payable	7,017
Payroll taxes payable	286
Accrued salaries and benefits payable	9,528
Long-term liabilities:	
Due within one year	9,581
Due in more than one year	<u>107,469</u>
Total Liabilities	<u>133,881</u>

DEFERRED INFLOWS OF RESOURCES

Deferred pension inflows	3,421
Unavailable property tax revenue	<u>782,964</u>
Total Deferred Inflows of Resources	<u>786,385</u>

NET POSITION

Net investment in capital assets	267,064
Restricted for TABOR	28,000
Unrestricted	<u>1,379,312</u>
Total Net Position	<u><u>\$ 1,674,376</u></u>

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

BROADMOOR FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General and administrative	\$ 46,338	\$ -	\$ -	\$ (46,338)
Fire and emergency medical services	774,551	-	47,000	(727,551)
Interest	6,281	-	-	(6,281)
Total governmental activities	<u>\$ 827,170</u>	<u>\$ -</u>	<u>\$ 47,000</u>	<u>(780,170)</u>
General revenues:				
General property tax				755,749
Specific ownership tax				72,465
Interest income				48,587
Gain on asset disposal				135,078
Miscellaneous income				5,114
Total general revenues				<u>1,016,993</u>
Change in net position				236,823
Net position - beginning				<u>1,437,553</u>
Net position - ending				<u>\$ 1,674,376</u>

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

**BROADMOOR FIRE PROTECTION DISTRICT
BALANCE SHEET
DECEMBER 31, 2025**

ASSETS

Cash and cash equivalents	\$ 1,216,082
Cash with County Treasurer	5,774
Receivables	500
Property tax receivable	782,964
Prepaid expenses	<u>20,633</u>
 Total Assets	 <u>\$ 2,025,953</u>

LIABILITIES

Accounts payable	\$ 7,017
Payroll taxes payable	286
Accrued salaries and benefits payable	<u>9,528</u>
 Total Liabilities	 <u>16,831</u>

DEFERRED INFLOWS OF RESOURCES

Deferred property tax revenue	<u>782,964</u>
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FUND BALANCE

Nonspendable	20,633
Restricted for TABOR	28,000
Unassigned	<u>1,177,525</u>
 Total Fund Balance	 <u>1,226,158</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 2,025,953</u></u>
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The accompanying notes are an integral part of these financial statements.

**BROADMOOR FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 1,226,158
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Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.

Capital assets	\$ 844,627	
Accumulated depreciation/amortization	<u>(460,513)</u>	384,114

Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the governmental funds.

Lease payable	\$ (117,050)	
Pension outflows	184,575	
Pension inflows	<u>(3,421)</u>	<u>64,104</u>

Total net position - governmental activities	<u><u>\$ 1,674,376</u></u>
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The accompanying notes are an integral part of these financial statements.

BROADMOOR FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

REVENUES

General property tax	\$ 755,749
Specific ownership tax	72,465
Investment earnings	48,587
Grants and donations	47,000
Miscellaneous income	<u>5,114</u>
 Total revenues	 <u>928,915</u>

EXPENDITURES

General and administrative	46,338
Fire and emergency medical services	762,427
Debt service	<u>14,821</u>
 Total expenditures	 <u>823,586</u>

Excess (deficiency) of revenues over expenditures	105,329
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OTHER FINANCING SOURCES

Proceeds from sale of capital assets	<u>256,500</u>
Net change in fund balance	361,829
Fund balance - beginning	<u>864,329</u>
Fund balance - ending	<u><u>\$ 1,226,158</u></u>

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

BROADMOOR FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$ 361,829
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase(decrease) net position.	(104,272)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation and amortization	\$ (70,631)	
Capital outlays	59,441	(11,190)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.

Lease payment (principal)	8,540
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Some pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(18,084)
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Change in net position of governmental activities	\$ 236,823
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Broadmoor Fire Protection District (the District) was organized under the laws of the State of Colorado to operate and maintain a special district for the purpose of providing fire protection and emergency medical services for the residents of the Broadmoor subdivision located adjacent to the City of Colorado Springs, Colorado.

The accounting policies of the District conform to generally accepted accounting policies (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

The District is a special district governed by an elected five-member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The District has no component units for which either discrete or blended presentation is required.

B. BASIS OF PRESENTATION—GOVERNMENT-WIDE 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 non-fiduciary activities of the government. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. Eliminations have been made to minimize the double counting of internal activities.

C. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, charges for services, 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. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period of this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

*E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND
NET POSITION/FUND BALANCE*

Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

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

Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include vehicles and equipment, are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Vehicles and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 to 15 years
Equipment	5 to 10 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of activities.

Pensions

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

Deferred outflows/inflows of resources

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

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental fund reports property taxes levied for the succeeding year as unavailable property tax revenue. The unavailable property tax revenues are recognized in the succeeding year as revenue when the lien attaches and the taxes become available.

Leases

Lessee: The District is a lessee for noncancellable lease of a building. The District recognizes a lease liability and an right-to-use lease asset in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-term liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – 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.

Committed – 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 that was used 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.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. REVENUES AND EXPENDITURES/EXPENSES

Program revenues

Amounts reported as *program revenues* include 1) fees and 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. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Property taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and are payable in two installments due February 28 and June 15, or are payable one installment due April 30. El Paso County bills and collects property taxes for the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services. The tax rate to finance general governmental services for the year ended December 31, 2025 was 4.5 mills. The District's assessed valuation for 2025 was \$168,002,370.

Compensated absences

The District's policy is that each regular full time employee earns six shifts (144 hours) of paid vacation at the end of one year with one additional shift add per year until the employee has earned a maximum of eight shifts (192 hours). Vacation time must either be taken or paid to the employee prior to the end of the year.

Employees are allowed to accrue 10 hours of sick leave per month up to 120 hours. Accrued sick days are not paid to an employee at the time they leave the District.

Accumulated unpaid vacation, sick pay and other employee benefit amounts are not material. Therefore, a liability for these benefits has not been reflected in these financial statements. Compensated absences are recorded as expenditures when they are paid.

G. ESTIMATES

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

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information

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

1. In the fall, the District submits to the Board 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.
2. Public hearings are conducted by the District to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Any revisions that alter the budget must be approved by the Board by passage of a resolution.
5. Formal budgetary integration is employed as a management control device during the year.
6. The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or amended by the Board.
7. Appropriations lapse at the end of the year.

NOTE 3 - DEPOSITS AND INVESTMENTS

Reconciliation of cash deposits and investments to the statement of net position

Cash and cash equivalents:

Deposits	\$ 57,696
CSAFE	<u>1,158,386</u>
	<u>\$ 1,216,082</u>

Cash deposits with financial institutions

Custodial credit risk—deposits. 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. 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.

At December 31, 2025, the carrying amounts of the District's deposits were \$57,696 and the bank balances were \$59,231. All of the bank balances were covered by FDIC insurance.

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District is authorized by Colorado statutes to invest in the following:

- ◆ Obligations of the United States and certain U.S. government agencies' securities;
- ◆ Certain international agencies' securities;
- ◆ General obligation and revenue bonds of U.S. local government entities;
- ◆ Bankers' acceptances of certain banks;
- ◆ Certain commercial paper;
- ◆ Local government investment pools;
- ◆ Written repurchase agreements collateralized by certain authorized securities;
- ◆ Certain money market funds;
- ◆ Guaranteed investment contracts.

At December 31, 2025 the District's investment balances were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
CSAFE	Less than 60 days	<u>\$ 1,158,386</u>

Credit Risk. State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices. As of December 31, 2025 all of the District's investments were rated AAAM by Standard & Poor's.

Colorado Surplus Asset Fund Trust (CSAFE) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. Designated custodial banks provide safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. All securities owned by CSAFE are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by CSAFE. Investments of CSAFE consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 - CAPITAL ASSETS

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

<i>Governmental activities</i>	Beginning <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	Ending <u>Balance</u>
Capital assets, being depreciated:				
Vehicles	\$ 715,101	\$ 53,675	\$ (359,180)	\$ 409,596
Equipment	<u>299,344</u>	<u>5,766</u>	<u>-</u>	<u>305,110</u>
Total capital assets, being depreciated	<u>1,014,445</u>	<u>59,441</u>	<u>(359,180)</u>	<u>714,706</u>
Less accumulated depreciation:				
Vehicles	(357,851)	(46,961)	254,908	(149,904)
Equipment	<u>(273,947)</u>	<u>(10,678)</u>	<u>-</u>	<u>(284,625)</u>
Total accumulated depreciation	<u>(631,798)</u>	<u>(57,639)</u>	<u>254,908</u>	<u>(434,529)</u>
Total capital assets being depreciated, net	<u>382,647</u>	<u>1,802</u>	<u>(104,272)</u>	<u>280,177</u>
Lease assets being amortized:				
Building	<u>129,921</u>	<u>-</u>	<u>-</u>	<u>129,921</u>
Total lease assets being amortized	<u>129,921</u>	<u>-</u>	<u>-</u>	<u>129,921</u>
Less accumulated amortization for:				
Building	<u>(12,992)</u>	<u>(12,992)</u>	<u>-</u>	<u>(25,984)</u>
Total accumulated amortization	<u>(12,992)</u>	<u>(12,992)</u>	<u>-</u>	<u>(25,984)</u>
Total lease assets being amortized, net	<u>116,929</u>	<u>(12,992)</u>	<u>-</u>	<u>103,937</u>
Capital assets, net of accumulated Depreciation/amortization	<u>499,576</u>	<u>(11,190)</u>	<u>(104,272)</u>	<u>384,114</u>
Total governmental activities capital assets	<u>\$ 499,576</u>	<u>\$ (11,190)</u>	<u>\$ (104,272)</u>	<u>\$ 384,114</u>

Depreciation/amortization expense was charged to functions/programs of as follows:

Fire and emergency medical services	<u>\$ 70,631</u>
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BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 - LEASES

District as lessee

The District, as a lessee, has entered into a lease agreement with the Broadmoor Hotel with a lease term of ten years. The total costs of these right-to-use lease assets are recorded as \$129,921, less accumulated amortization of \$25,984. The District has determined that as of December 31, 2025, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of December 31, 2025 are as follows:

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 9,581	\$ 5,853	\$ 15,434
2027	10,678	5,373	16,051
2028	11,854	4,840	16,694
2029	13,114	4,247	17,361
2030	14,464	3,591	18,055
2031 –2034	<u>57,359</u>	<u>6,384</u>	<u>63,743</u>
Total	<u>\$ 117,050</u>	<u>\$ 30,288</u>	<u>\$ 147,338</u>

NOTE 6 – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2025 were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Debt Issued</u> <u>And Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One year</u>
<i>Governmental Activities</i>					
Leases	<u>\$ 125,590</u>	<u>\$ -</u>	<u>\$ (8,540)</u>	<u>\$ 117,050</u>	<u>\$ 9,581</u>
<i>Total Governmental Activities</i>	<u>\$ 125,590</u>	<u>\$ -</u>	<u>\$ (8,540)</u>	<u>\$ 117,050</u>	<u>\$ 9,581</u>

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 7 – NET POSITION

Net position is reported in three separate categories – net investment in capital assets; net position-restricted; and net position-unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation and capital-related deferred outflows of resources; reduced by borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, net investment of capital assets was as follows:

Investment in Capital Assets:

Capital assets, net of depreciation/amortization	\$ <u>267,064</u>
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Net position-restricted is the difference between non-capital assets whose use is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation, and related liabilities and deferred inflows of resources (excluding capital-related borrowings). As of December 31, 2025, the District had net position - restricted as follows:

Net Position – Restricted:

TABOR emergency reserve	\$ <u>28,000</u>
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Any portion of net position not already classified as either net investment in capital assets or net position – restricted, is automatically classified as net-position – unrestricted.

NOTE 8 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Broadmoor Fire Protection District are provided with pensions through the Statewide Retirement Plan (SRP) – a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated 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.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 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>.

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

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 a 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.

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 COLA can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for a least 12 calendar months prior to October 1.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

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

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

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employer contributions are recognized by the SRP in the period in which the compensation becomes payable to the member and the Broadmoor Fire Protection District is statutorily committed to pay the contributions to the SRP. Employer contributions recognized by the SRP from Broadmoor Fire Protection District were \$38,631 for the year ended December 31, 2025.

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

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	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. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
Total	100.0%	

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

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

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

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

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
\$ 131,914	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of \$143,757,639 at a 7.00 percent discount rate and \$666,904,279 at a 8.00 percent discount rate.

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

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

At December 31, 2025, the Broadmoor Fire Protection District reported a liability/(asset) of \$0.00 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2024, and the collective total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2025. The Broadmoor Fire Protection District proportion of the net pension liability/(asset) was based on Broadmoor Fire Protection District contributions to the SRP for the calendar year 2024 relative to the total contributions of participating employers to the SRP.

At December 31, 2024, the Broadmoor Fire Protection District's proportion was 0.027031975 percent, which was a decrease of 0.0105606900 from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Broadmoor Fire Protection District recognized pension expense of \$56,715. At December 31, 2025, the Broadmoor Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 64,957	\$ 2,032
Changes in assumptions or other inputs	23,248	-
Net difference between projected and actual investment earnings	9,228	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	48,511	1,389
Contributions subsequent to the measurement date	38,631	N/A
Total	\$ 184,575	\$ 3,421

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$38,631 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2026	\$ 33,382
2027	46,070
2028	9,591
2029	10,933
2030	15,327
Thereafter	27,220

NOTE 9 - RELATED PARTY TRANSACTIONS

It is customary that the District has a Board member from the Broadmoor Hotel. This relationship has nothing to do with any special arrangement between the two parties other than a lessor, lessee arrangement as described in Note 5.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks did not exceed commercial insurance coverage during the past three fiscal years.

NOTE 11 - AMENDMENT TO COLORADO CONSTITUTION

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 governments. The Amendment is complex and subject to judicial interpretation. On May 2, 2000, the voters of Broadmoor Fire Protection District approved that taxes be increased \$116,979 in 2001 and annually thereafter in such amount as are received each year by the imposition of an additional mill levy of 1.449 mills upon taxable property within the District, commencing with the tax collection year 2001, and continuing thereafter, such revenues, together with any and all other revenues collected by the District for the purposes of defraying salaries, other operating expenses of the District, and/or other lawful purposes, as a voter approved revenue change and an exception to the spending, revenue raising, and other limits which would otherwise apply under Article X, Section 20, of the Colorado Constitution. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

REQUIRED SUPPLEMENTARY INFORMATION

BROADMOOR FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2025

	2024	2023	2022	2021	2020	2019
District's proportion of the net pension liability (asset)	0.027031975%	0.037592665%	0.039889534%	0.041109564%	0.040163902%	0.042455711%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ 35,406	\$ (222,787)	\$ (87,196)	\$ (24,011)
District's covered payroll	\$ 294,750	\$ 369,326	\$ 347,044	\$ 330,941	\$ 322,600	\$ 312,913
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	10.20%	-67.32%	-27.03%	-7.67%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	100.0%	97.6%	116.2%	106.7%	101.9%

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

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

See the accompanying independent auditors' report.

BROADMOOR FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S STATUTORY PAYROLL CONTRIBUTIONS AND COVERED PAYROLL
DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 38,631	\$ 29,475	\$ 35,086	\$ 31,234	\$ 28,130	\$ 25,808	\$ 25,033
Contributions in relation to the statutorily required contribution	(38,631)	(29,475)	(35,086)	(31,234)	(28,130)	(25,808)	(25,033)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 367,914	\$ 294,750	\$ 369,326	\$ 347,044	\$ 330,941	\$ 322,600	\$ 312,913
Contributions as a percentage of covered payroll	10.50%	10.00%	9.50%	9.00%	8.50%	8.00%	8.00%

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

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

See the accompanying independent auditors' report.

BROADMOOR FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ 811,610	\$ 811,610	\$ 828,214	\$ 16,604
Grants and donations	-	-	47,000	47,000
Investment earnings	40,930	40,930	48,587	7,657
Miscellaneous income	-	-	5,114	5,114
Total Revenues	852,540	852,540	928,915	76,375
EXPENDITURES				
General and administrative	64,432	64,432	46,338	18,094
Fire and emergency medical services	788,108	788,108	762,427	25,681
Debt service	-	-	14,821	(14,821)
Total Expenditures	852,540	852,540	823,586	28,954
Excess of revenues over expenditures	-	-	105,329	105,329
OTHER FINANCING SOURCES				
Proceeds on sale of capital assets	-	-	256,500	256,500
Net change in fund balance	-	-	361,829	361,829
Fund balance - beginning	-	-	864,329	864,329
Fund balance - ending	\$ -	\$ -	\$ 1,226,158	\$ 1,226,158

See the accompanying independent auditors' report.