

NORTH ROUTT FIRE PROTECTION DISTRICT

Financial Statements

December 31, 2025

NORTH ROUTT FIRE PROTECTION DISTRICT

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Independent Auditor's Report

The Board of Directors
North Routt Fire Protection District
Routt County, Colorado

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 North Routt Fire Protection District (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles (GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Financial Information

We have previously audited the District's December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 29, 2025. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

GAAP requires that the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on page 26, and the defined benefit pension plans' schedules on pages 27-31 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 GAAS, 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.

Management has omitted Management's Discussion and Analysis that GAAP requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on page 32 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in blue ink that reads "Catherine + Company, P.C.".

Steamboat Springs, Colorado
July 30, 2026

NORTH ROUTH FIRE PROTECTION DISTRICT
Statement of Net Position
December 31, 2025
(with summarized financial information as of December 31, 2024)

	2025 Governmental Activities	2024 Governmental Activities
Assets:		
Cash and investments	\$ 640,291	\$ 546,716
Due from other governments	4,188	3,869
Accounts receivable:		
Ambulance services, net	6,365	5,215
Grant reimbursements	161,051	178,512
Property taxes receivable	842,270	778,775
Capital assets, net	967,612	984,037
Total Assets	2,621,777	2,497,124
Deferred Outflows of Resources:		
Deferred outflows related to pensions	227,842	205,824
Total Deferred Outflows of Resources	227,842	205,824
Liabilities:		
Accounts payable and accrued expenses	34,508	34,005
Noncurrent liabilities:		
General obligation refunding bonds:		
Due within one year	75,000	70,000
Due in more than one year	-	75,000
Net pension liability:		
Cost-sharing defined benefit plan	-	-
Volunteer firefighters defined benefit plan	378,825	60,514
Total Liabilities	488,333	239,519
Deferred Inflows of Resources:		
Deferred property tax revenues	842,270	778,775
Deferred bond refunding premium	2,892	6,046
Deferred inflows related to pensions	65,108	60,775
Total Deferred Inflows of Resources	910,270	845,596
Net Position:		
Net investment in capital assets	889,720	832,991
Restricted for:		
Emergencies	23,400	22,253
Debt service	86,951	79,139
Unrestricted	450,945	683,450
Total Net Position	\$ 1,451,016	\$ 1,617,833

See accompanying notes to the financial statements.

NORTH ROUTT FIRE PROTECTION DISTRICT

Statement of Activities

For the Year Ended December 31, 2025

(with summarized financial information for the year ended December 31, 2024)

Functions/Programs	2025				2024	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position	Net (Expense) Revenue and Change in Net Position
Governmental Activities:						
Public safety:						
Personnel and volunteers	\$ 689,201	\$ -	\$ -	-	\$ (689,201)	\$ (462,158)
Operations	320,016	34,862	437,270	-	152,116	(6,286)
Administration and general	71,874	-	-	-	(71,874)	(71,103)
Interest	(835)	-	-	-	835	(285)
Unallocated depreciation	83,341	-	-	-	(83,341)	(89,519)
Pension expense (revenue)	300,627	-	-	-	(300,627)	(17,056)
Total Governmental Activities	\$ 1,464,224	\$ 34,862	\$ 437,270	\$ -	(992,092)	(646,407)
General Revenues:						
Taxes:						
Property					752,116	735,238
Specific ownership					47,389	43,477
Other					25,770	35,844
Total General Revenues					825,275	814,559
Change in Net Position					(166,817)	168,152
Net Position, Beginning of Year					1,617,833	1,449,681
Net Position, End of Year					\$ 1,451,016	\$ 1,617,833

See accompanying notes to the financial statements.

NORTH ROUTT FIRE PROTECTION DISTRICT
Governmental Funds
Balance Sheet
December 31, 2025
(with summarized financial information as of December 31, 2024)

	2025			2024
	General Fund	Debt Service Fund	Total Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 630,020	\$ 10,271	\$ 640,291	\$ 546,716
Due from other governments	3,768	420	4,188	3,869
Accounts receivable:				
Ambulance services, net	6,365	-	6,365	5,215
Grant reimbursements	161,051		161,051	178,512
Property taxes receivable	760,347	81,923	842,270	778,775
Due from other fund	-	76,260	76,260	76,869
Total Assets	<u>\$ 1,561,551</u>	<u>\$ 168,874</u>	<u>\$ 1,730,425</u>	<u>\$ 1,589,956</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 34,508	\$ -	\$ 34,508	\$ 34,005
Due to other fund	76,260	-	76,260	76,869
Total Liabilities	<u>110,768</u>	<u>-</u>	<u>110,768</u>	<u>110,874</u>
Deferred Inflows of Resources:				
Deferred property tax revenue	<u>760,347</u>	<u>81,923</u>	<u>842,270</u>	<u>778,775</u>
Total Deferred Inflows of Resources	<u>760,347</u>	<u>81,923</u>	<u>842,270</u>	<u>778,775</u>
Fund Balances:				
Restricted for:				
Emergencies	23,400	-	23,400	22,253
Debt service	-	86,951	86,951	79,139
Assigned	8,786		8,786	8,783
Unassigned	658,250	-	658,250	590,132
Total Fund Balances	<u>690,436</u>	<u>86,951</u>	<u>777,387</u>	<u>700,307</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,561,551</u>	<u>\$ 168,874</u>	<u>\$ 1,730,425</u>	<u>\$ 1,589,956</u>

See accompanying notes to the financial statements.

NORTH ROUTT FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2025

Governmental funds total fund balance	\$ 777,387
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in governmental funds.	967,612
Long-term liabilities within governmental activities are not due and payable in the current period and therefore, are not reported in governmental funds:	
Bonds payable	(75,000)
Unamortized deferred bond refunding premium	(2,892)
Net pension asset and net pension liability are not financial resources and, therefore are not reported as assets and liabilities in the governmental funds:	
Net pension liabilities	(378,825)
Deferred outflows related to pensions	227,842
Deferred inflows related to pensions	(65,108)
Governmental activities net position	<u><u>\$ 1,451,016</u></u>

See accompanying notes to the financial statements.

NORTH ROUTH FIRE PROTECTION DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2025
(with summarized financial information for the year ended December 31, 2024)

	2025		2024
	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:			
Taxes:			
Property, net	\$ 676,733	\$ 75,383	\$ 752,116
Specific ownership	42,640	4,749	47,389
Charges for services:			
Ambulance services, net	34,862	-	34,862
Grants	249,761	-	249,761
Donations	187,509	-	187,509
Other	25,770	-	25,770
Total Revenues	1,217,275	80,132	1,297,407
Expenditures:			
Public safety:			
Personnel and volunteers	689,201	-	689,201
Operations	320,016	-	320,016
Administration and general	71,874	-	71,874
Capital outlay	66,916	-	66,916
Debt service:			
Principal	-	70,000	70,000
Interest	-	2,320	2,320
Total Expenditures	1,148,007	72,320	1,220,327
Excess of Revenues Over Expenditures	69,268	7,812	77,080
Fund Balance, Beginning of Year	621,168	79,139	700,307
Fund Balance, End of Year	\$ 690,436	\$ 86,951	\$ 777,387

See accompanying notes to the financial statements.

NORTH ROUNTY FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Changes in fund balances - governmental funds	\$ 77,080
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities.	(16,425)
Repayment of principal on noncurrent liabilities is reported as an expenditure in the governmental funds but reduces noncurrent liabilities in the statement of net position.	70,000
The deferred bond refunding premium is not reported in the governmental funds but is amortized as a component of interest expense in the statement of activities.	3,155
In the governmental funds, expenditures for the defined benefit pension plans are measured by the amount of the financial resources used, whereas in the statement of activities, they are measured as the liability is accrued according to actuarial estimates. This is the amount the net pension asset and liability and the related deferred inflows and outflows changed in the current year.	<u>(300,627)</u>
Change in net position of governmental activities	<u><u>\$ (166,817)</u></u>

See accompanying notes to the financial statements.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 1: Summary of Significant Accounting Policies

The North Routt Fire Protection District (the District) was organized in Routt County, Colorado as a local government entity under Colorado Revised Statutes (CRS) to provide fire protection and ambulance services to northern Routt County, Colorado.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for the establishment of GAAP in governmental entities. The following summary of the more significant accounting policies of the District is presented to assist the reader in interpreting these financial statements and should be viewed as an integral part of this report.

Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the District, and (b) organizations for which the District is financially accountable. The District has one component unit for which it is financially accountable. The North Routt Fire Station Building Condominiums Owners Association (the Association) is a Colorado not-for-profit common interest realty association established in June 2003 under the Colorado Common Interest Ownership Act. The District owns 83.21% of the allocated interest percentage of the Association. However, the Association has no material net assets as of December 31, 2024 or material revenues and expenses for the year then ended. Therefore, the Association has been excluded from the District's financial statements.

The District has included its share of the fire station building as a capital asset in the statement of net position.

Measurement Focus and Basis of Accounting

The government-wide financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. 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. The District considers revenues collected within 60 days after year end to be available and thus recognizes them as revenues in the current year.

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.

Financial Statement Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities report information about the nonfiduciary activities of the District. The District's primary activities are categorized as governmental activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are clearly identified with a specific program. Program revenues include (a) charges for services, and (b) grants and contributions that are restricted for the operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 1: Summary of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

Fund Financial Statements

The fund financial statements report information about the District's funds.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Debt Service Fund* is used to account for a mill levy restricted to making principal and interest payments on the District's general obligation refunding bonds.

Fund Balance Presentation

Fund balances of the governmental fund are classified as follows:

- Non-spendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
- Committed – includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the District. Such formal action may be in form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.
- Assigned – includes amounts that are intended by the District to be used for specific purposes but are neither restricted nor committed. Assignments may be made only by the Board of Directors.
- Unassigned – represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and Investments

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

Accounts Receivable, Net

The District's accounts receivable consists of charges for ambulance services and grant reimbursements. The District estimates an allowance for uncollectible accounts for ambulance services based on review of collection percentage trends and insurance coverage of the transported persons.

The District's net accounts receivable from ambulance services as of December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Accounts receivable from ambulance services	\$ 21,365	\$ 25,915
Allowance for uncollectible accounts	<u>(15,000)</u>	<u>(20,700)</u>
	<u>\$ 6,365</u>	<u>\$ 5,215</u>

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 1: Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

Capital Assets

Capital assets include land, buildings, vehicles and equipment. Capital assets are defined by the District as assets with an initial individual cost of \$3,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at fair 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	20-40
Equipment	10-20
Vehicles	5-10

Deferred Gain on Refunding of Debt

The District's deferred gain on refunding of debt is the difference between the reacquisition price and the net carrying amount of the defeased debt and is reported as a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the new debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The District's deferred outflows of resources relate to the recording of the net pension liabilities.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources consist of unavailable revenues from property taxes and the recording of the net pension liabilities.

Property Taxes

Property taxes are levied on December 15 of each year 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 Routt County Treasurer's office collects property taxes and remits collections to the District each month. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as receivable and as deferred inflow of resources as property taxes are assessed in one year as a lien on the property but not collected by the District until the subsequent year.

Pension Plans

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan (SWDB) and Volunteer Firefighters Defined Benefit Plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado (FPPA). 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.

NORTH ROUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 1: Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds.

The District conforms to the following procedures, in compliance with CRS, Title 29, Article 1, in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, the Treasurer submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Directors to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures must be approved by the Board of Directors.
- All appropriations lapse at the end of each fiscal year.

The District did not adopt any supplemental appropriations for the year ended December 31, 2025.

Compliance

The District's General Fund expenditures exceeded appropriations by \$170,383 for the year ended December 31, 2025. The excess expenditures were for fire mitigation services and funded entirely by grant revenues.

TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains tax spending, revenue and debt limitations that apply to the State of Colorado and all local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

NORTH ROUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 2: Stewardship, Compliance and Accountability (continued)

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has reserved \$23,400 of the December 31, 2025 General Fund balance for this purpose.

The District's voters passed a ballot question in 1998 that permanently lifted TABOR restrictions on the amount of revenue that the District can collect and retain. In 2018, the District's voters passed a ballot question that allows the District to adjust the mill levy annually by an amount sufficient to offset changes in revenue due to the Gallagher Amendment without holding a special election.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and many of its provisions may require judicial interpretation.

Note 3: Cash and Investments

Deposits

The carrying amount of the District's deposits as of December 31, 2025 and 2024 was \$364,789 and \$272,552, respectively, and bank balances were \$369,473 and \$273,969, respectively. Of the bank balances, \$357,894 and \$273,969 at December 31, 2025 and 2024, respectively, was covered by federal deposit insurance and \$11,579 and \$0, respectively, was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (PDPA).

The PDPA requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The collateral 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 equal or exceed 102% of the aggregate uninsured deposits.

Investments

At December 31, 2025 and 2024, the District had investments measured at fair value as follows:

	<u>2025</u>	<u>2024</u>	<u>Maturity</u>
U.S. Treasury bills	<u>\$ 274,839</u>	<u>\$ 273,501</u>	3-6 months
	<u><u>\$ 274,839</u></u>	<u><u>\$ 273,501</u></u>	

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2025 is summarized below:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Land	\$ 9,490	\$ -	\$ -	\$ 9,490
Other capital assets:				
Buildings	1,288,342	-	-	1,288,342
Vehicles	1,259,158	66,916	-	1,326,074
Equipment	406,290	-	-	406,290
Total other capital assets at cost	2,953,790	66,916	-	3,020,706
Less accumulated depreciation for:				
Buildings	(629,009)	(38,905)	-	(667,914)
Vehicles	(1,055,571)	(31,450)	-	(1,087,021)
Equipment	(294,663)	(12,986)	-	(307,649)
Total accumulated depreciation	(1,979,243)	(83,341)	-	(2,062,584)
Other capital assets, net	974,547	(16,425)	-	958,122
Governmental activities capital assets, net	\$ 984,037	\$ (16,425)	\$ -	\$ 967,612

Note 5: Long-Term Liabilities

The District has the following long-term debt outstanding as of December 31, 2025:

General Obligation Refunding Bonds Series 2020

On November 30, 2020, the District issued \$425,000 of General Obligation Refunding Bonds Series 2020 to refund \$480,000 of the General Obligation Bonds Series 2011. Through the refunding, the District reduced its debt service and had an economic gain of \$104,174 (the difference between the present value of the debt service payments on the refunded debt and the refunding debt). Conditions for defeasance have been met and assets were placed in escrow and the liability has been removed from the financial statements. The refunded bonds were paid from escrow on December 1, 2020.

Principal and interest on the General Obligation Refunding Bonds Series 2020 are payable in varying amounts, semi-annually at June 1 and December 1, at a net effective interest rate of 1.60% through maturity on December 1, 2026.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 5: Long-Term Liabilities (continued)

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation refunding bonds, series 2020	\$ 145,000	\$ -	\$ (70,000)	\$ 75,000	\$ 75,000
	<u>\$ 145,000</u>	<u>\$ -</u>	<u>\$ (70,000)</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>

Debt service requirements as of December 31, 2025 were as follows:

	Principal	Interest	Total
2026	\$ 75,000	\$ 1,200	\$ 76,200
Total	<u>\$ 75,000</u>	<u>\$ 1,200</u>	<u>\$ 76,200</u>

Note 6: Governmental Fund Balances

The District has restricted fund balance as of December 31, 2024 for the following:

- Emergency reserve required by TABOR
- Debt service funds for repayment of its General Obligation Refunding Bonds

The District's board of directors has assigned \$8,783 of its general fund balance as of December 31, 2025 to maintain a capital reserve.

When expenditures are incurred and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

Note 7: Pension Plans

Fire and Police Statewide Defined Benefit Plan

Plan Description

The SWDB is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the SWDB may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The SWDB became effective January 1, 1980.

Employers once had the option to elect to withdraw from the SWDB, but a change in state statutes permitted no further withdrawals after January 1, 1988.

CRS Title 31, Article 31 grants the authority to establish and amend the benefit terms to the FPPA Board of Directors. The FPPA issues a publicly available financial report that can be obtained at www.fppaco.org.

NORTH ROUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

Benefits Provided

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the SWDB. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Contributions

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions increase 0.5% annually beginning in 2021 through 2023 to a total of 13.0% of pensionable earnings. In 2024, members of the SWDB plan and their employers are contributing at the rate of 12.0% and 10.0%, respectively, of pensionable earnings for a total contribution rate of 22.0%.

The contribution rate for members and employers of affiliated social security employers is 6.00% and 5.00%, respectively, of pensionable earnings for a total contribution rate of 11.00% in 2024. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

Contributions to the Plan from the District were \$44,217 and \$32,193, respectively, for the years ended December 31, 2025 and 2024.

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

As of December 31, 2025 and 2024, the District reported a liability of \$0 and \$0, respectively, for its proportionate share of the collective net pension liability of the Plan. The net pension liability was measured as of December 31, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the Plan for the years ended December 31, 2024 and 2023 relative to the total contributions of participating employers to the Plan. As of December 31, 2024 and 2023, the District's proportion was 0.027814% and 0.026846%, respectively.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

For the years ended December 31, 2025 and 2024, the District recognized pension expense (revenue) of \$45,761 and \$13,955, respectively. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 66,837	\$ 2,091
Changes of assumptions or other inputs	23,920	-
Net difference between projected and actual investment earnings	9,495	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	31,106
Contributions subsequent to the measurement date	44,217	-
Total	\$ 144,469	\$ 33,197

\$44,217 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2025	\$ 27,336
2026	34,754
2027	(2,876)
2028	(1,709)
2029	3,421
Thereafter	6,129
	\$ 67,055

Actuarial Assumptions

The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the year ended 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%

NORTH ROUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

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 area 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 reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the FPPA's 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.

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%). Best estimates of arithmetic real rates of return for each major asset class included in the SWDB's target asset allocation as of December 31, 2024 are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.0%. 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 FPPA Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB 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 the FPPA Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with the FPPA 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%, then a COLA assumption of 0% will be used and a net pension liability will be reported.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

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%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%.

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the collective net pension liability (asset) calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

Discount Rate:	Sensitivity of the NPL/(NPA)		
	6.00%	7.00%	8.00%
Proportionate share of the NPL/(NPA)	\$ 135,731	\$ -	\$ -

Plan Fiduciary Net Position

Detailed information about the SWDB's fiduciary net position is available in the separately issued FPPA financial report.

Volunteer Firefighters Pension Fund

Plan Description

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

The District contributes, on behalf of its volunteers, to an agent multiple-employer defined benefit pension plan included in the PERS. Title 31, Article 30 of CRS, as amended, establishes basic benefit provisions under the plan. The Plan covers 19 members at the measurement date of December 31, 2024.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Benefits Provided

The following were the benefit provisions used to determine the total pension liability as of December 31, 2024 (measurement date of the plan):

1. Normal Retirement Benefit at Age 50 with 20 years of Service (monthly):	
a. Regular	\$500.00
b. Extended Service Amount Per Year of Service	\$25.00
2. Vested Retirement Benefit (monthly):	
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$25.00
b. Minimum Vesting Years	10
3. Disability Retirement Benefit (monthly):	
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$0.00
b. Long Term Disability for line of duty injury Lifetime Benefit	\$0.00
4. Survivor Benefits (monthly):	
a. Following Death before Retirement Eligible; Due to death in line of duty as volunteer firefighter	\$0.00
b. Following Death after Normal Retirement	\$0.00
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$0.00
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$0.00
e. Following Death after Disability Retirement	\$0.00
f. Optional Survivor Benefit Following Death before or after Retirement Eligible; Due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00
5. Funeral Benefits (Required Benefit):	
a. Funeral Benefit Lump Sum, one time only	\$500.00

Contributions

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, determines the contribution amounts for 2024 and 2025.

The contribution to the Plan from the District was \$36,882 and \$16,730 for the years ended December 31, 2025 and 2024, respectively. Plan members do not make contributions.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2025 and 2024, the District reported a net pension liability of \$378,825 and \$60,514, respectively. The net pension liability was measured as of December 31, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the years ended December 31, 2025 and 2024, the District recognized pension expense of \$335,964 and \$3,101, respectively. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 11,444
Changes of assumptions or other inputs	21,674	-
Net difference between projected and actual investment earnings	24,817	20,467
Contribution subsequent to the measurement date	36,882	-
Total	\$ 83,373	\$ 31,911

\$36,882 reported as deferred outflows of resources related to pensions resulting from the District's contribution 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	\$ 12,715
2027	8,144
2028	(4,266)
2029	(2,013)
	\$ 14,580

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Actuarial Assumptions

The following methods and assumptions were used to determine contribution rates to the Plan as of December 31, 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Post-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. Disabled: Pub-2010 Safety Healthy Employee 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.

Long-Term Expected Return on Plan Assets

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

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

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Single 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 7.00%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%. December 31, 2124 is the end of the projection period for which projected benefit payments are fully funded.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension asset of the Plan calculated using the discount rate of 7.0%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

Discount Rate:	Sensitivity of the NPL		
	6.00%	7.00%	8.00%
Proportionate share of the NPL	\$ 461,530	\$ 378,825	\$ 308,985

Note 8: Intergovernmental Agreements

Agreement for Participation in Development of the North Routt Fire Station

In December 2002, the District entered into an agreement with Routt County, Colorado (the County) whereby the County purchased one bay of the new fire station to store road maintenance vehicles.

In June 2003, the Association was established under the Colorado Common Interest Ownership Act. The County's allocated interest percentage for its portion of the building purchased is 16.79% and also represents the County's voting percentage in Association matters. In October 2003, the Association's Board of Directors approved the following common expenses to be shared proportionately by the District and the County: property insurance, trash and exterior building repairs and maintenance. Total Association common expenses during the year ended December 31, 2024 are not material to the District's financial statements.

Lease Agreement

The District leases the land under its new fire station from the State of Colorado, Department of Natural Resources, Division of Parks and Outdoor Recreation (DPOR). The lease is for an initial 25-year term expiring in May 2027 and shall automatically renew for an additional 25 years assuming the District's compliance with terms of the lease. The District's use of the land is limited to fire protection, emergency medical and rescue services and equipment storage and services for Routt County Road Department (see Agreement for Participation in Development of North Routt Fire Station). The District is required to pay a \$100 fee quarterly for water and sewer services provided by DPOR.

NORTH ROUTT FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 9: Risk Management

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

Note 10: Subsequent Events

The District has evaluated subsequent events through July 30, 2026, the date these financial statements were available to be issued.

NORTH ROUTT FIRE PROTECTION DISTRICT
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property, net of tax collection fees of \$20,943	\$ 700,731	\$ 676,733	\$ (23,998)
Specific ownership	20,000	42,640	22,640
Charges for services:			
Ambulance services, net of provision for uncollectible accounts of \$50,766	23,000	34,862	11,862
Grants	18,700	249,761	231,061
Contributions	19,000	187,509	168,509
Other	22,000	25,770	3,770
Total Revenues	803,431	1,217,275	413,844
Expenditures:			
Personnel and volunteers:			
Wages and benefits	731,224	635,692	95,532
Contract labor	9,600	9,600	-
Volunteer benefits	38,250	7,027	31,223
Volunteer pension contribution	16,730	36,882	(20,152)
Operations:			
Equipment and supplies	21,500	29,060	(7,560)
Vehicles	28,050	24,464	3,586
Building maintenance and utilities	48,400	16,663	31,737
Fire mitigation	-	249,829	(249,829)
Administration and general:			
Insurance	39,120	34,161	4,959
Professional fees	25,350	22,408	2,942
Other	19,400	15,305	4,095
Capital outlay	-	66,916	(66,916)
Total Expenditures	977,624	1,148,007	(170,383)
Excess (Deficiency) of Revenues Over Expenditures	(174,193)	69,268	<u>\$ 243,461</u>
Fund Balance, Beginning of Year	621,168	621,168	
Fund Balance, End of Year	<u>\$ 446,975</u>	<u>\$ 690,436</u>	

NORTH ROUNT FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share
of the Net Pension Liability (Asset)
FPPA Statewide Defined Benefit Pension Plan (SWDB)
Last 10 Years

	2025	2024	2023	2022	2021
District's proportion of the net pension liability	0.0278%	0.0268%	0.0268%	0.0179%	0.0170%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ 86,935	\$ (96,901)	\$ (36,913)
District's covered payroll	\$ 421,114	\$ 321,930	\$ 275,347	\$ 259,131	\$ 141,013
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	31.57%	-37.39%	-26.18%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	100.0%	97.6%	116.2%	106.7%
	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0123%	0.0100%	0.0111%	0.0123%	0.0125%
District's proportionate share of the net pension liability (asset)	\$ (6,946)	\$ 12,621	\$ (15,966)	\$ 4,443	\$ (221)
District's covered payroll	\$ 140,284	\$ 98,384	\$ 66,951	\$ 65,000	\$ 62,840
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-4.95%	12.83%	-23.85%	6.84%	-0.35%
Plan fiduciary net position as a percentage of the total pension liability	101.9%	95.2%	106.3%	98.2%	100.1%

NORTH ROUNTT FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of the District Contributions
FPPA Statewide Defined Benefit Pension Plan (SWDB)
Last 10 Years

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 44,217	\$ 32,193	\$ 26,158	\$ 23,322	\$ 11,986
Contributions in relation to the contractually required contribution	\$ (44,217)	\$ (32,193)	\$ (26,158)	\$ (23,322)	\$ (11,986)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 421,114	\$ 321,930	\$ 275,347	\$ 259,131	\$ 141,013
Contributions as a percentage of covered payroll	10.50%	10.00%	9.50%	9.00%	8.50%
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 11,223	\$ 7,871	\$ 5,356	\$ 5,200	\$ 5,027
Contributions in relation to the contractually required contribution	\$ (11,223)	\$ (7,871)	\$ (5,356)	\$ (5,200)	\$ (5,027)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 140,284	\$ 98,384	\$ 66,951	\$ 65,000	\$ 62,840
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%

NORTH ROUNT FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of Changes in Net Pension Liability
and Related Ratios Multiyear
FPPA Volunteer Firefighter Defined Benefit Pension Plan
Last 10 Years

Measurement period ending December 31,	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	\$ 3,921	\$ 3,921	\$ 7,014	\$ 7,014	\$ 8,405
Interest on the Total Pension Liability	31,271	31,693	30,851	30,664	31,701
Benefit Changes	312,681	-	-	-	-
Difference between Expected and Actual Experience	(36,874)	-	5,410	-	(21,484)
Assumption Changes	69,840	-	6,332	-	-
Benefit Payments	(47,475)	(36,000)	(36,120)	(33,930)	(31,620)
Net Change in Total Pension Liability	333,364	(386)	13,487	3,748	(12,998)
Total Pension Liability - Beginning	468,137	468,523	455,036	451,288	464,286
Total Pension Liability - Ending	\$ 801,501	\$ 468,137	\$ 468,523	\$ 455,036	\$ 451,288
Plan Fiduciary Net Position					
Employer Contributions	\$ 16,730	\$ 16,730	\$ 16,730	\$ 16,730	\$ 16,730
Net Investment Income	37,812	37,000	(33,256)	53,927	41,086
Benefit Payments	(47,475)	(36,000)	(36,120)	(33,930)	(31,620)
Pension Plan Administrative Expense	(7,071)	(6,752)	(4,799)	(5,384)	(4,178)
State of Colorado supplemental discretionary payment	15,057	15,057	15,057	30,114	-
Net Change in Plan Fiduciary Net Position	15,053	26,035	(42,388)	61,457	22,018
Plan Fiduciary Net Position - Beginning	407,623	381,588	423,976	362,519	340,501
Plan Fiduciary Net Position - Ending	\$ 422,676	\$ 407,623	\$ 381,588	\$ 423,976	\$ 362,519
Net Pension Liability	\$ 378,825	\$ 60,514	\$ 86,935	\$ 31,060	\$ 88,769
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	52.74%	87.07%	81.44%	93.17%	80.33%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

NORTH ROUTT FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of Changes in Net Pension Liability
and Related Ratios Multiyear
FPPA Volunteer Firefighter Defined Benefit Pension Plan
Last 10 Years

Measurement period ending December 31,	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 8,405	\$ 5,272	\$ 5,272	\$ 7,493	\$ 7,493
Interest on the Total Pension Liability	31,134	29,213	28,863	26,466	25,867
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	-	31,423	-	16,100	-
Assumption Changes	-	18,172	-	11,416	-
Benefit Payments	(31,260)	(29,460)	(29,460)	(27,435)	(23,389)
Net Change in Total Pension Liability	8,279	54,620	4,675	34,040	9,971
Total Pension Liability - Beginning	456,007	401,387	396,712	362,672	-
Total Pension Liability - Ending	\$ 464,286	\$ 456,007	\$ 401,387	\$ 396,712	\$ 9,971
Plan Fiduciary Net Position					
Employer Contributions	\$ 16,730	\$ 16,730	\$ 16,730	\$ 16,730	\$ 17,000
Net Investment Income	41,933	220	37,908	13,167	4,301
Benefit Payments	(31,260)	(29,460)	(29,460)	(27,435)	(23,389)
Pension Plan Administrative Expense	(6,599)	(5,378)	(4,773)	(672)	(1,489)
State of Colorado supplemental discretionary payment	15,057	15,057	15,057	15,300	15,300
Net Change in Plan Fiduciary Net Position	35,861	(2,831)	35,462	17,090	11,723
Plan Fiduciary Net Position - Beginning	304,640	307,471	272,009	254,919	-
Plan Fiduciary Net Position - Ending	\$ 340,501	\$ 304,640	\$ 307,471	\$ 272,009	\$ 11,723
Net Pension Liability	\$ 123,785	\$ 151,367	\$ 93,916	\$ 124,703	\$ (1,752)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.34%	66.81%	76.60%	68.57%	117.57%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

NORTH ROUTT FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of Contributions Multiyear
FPPA Volunteer Firefighter Defined Benefit Pension Plan
Last 10 Years

<u>FY Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 25,144	\$ 32,300	\$ (7,156)	N/A	N/A
2016	\$ 16,730	\$ 32,030	\$ (15,300)	N/A	N/A
2017	\$ 16,730	\$ 31,787	\$ (15,057)	N/A	N/A
2018	\$ 15,439	\$ 31,787	\$ (16,348)	N/A	N/A
2019	\$ 15,439	\$ 31,787	\$ (16,348)	N/A	N/A
2020	\$ 25,393	\$ 16,730	\$ 8,663	N/A	N/A
2021	\$ 25,393	\$ 46,844	\$ (21,451)	N/A	N/A
2022	\$ 21,179	\$ 31,787	\$ (10,608)	N/A	N/A
2023	\$ 21,179	\$ 48,517	\$ (27,338)	N/A	N/A
2024	\$ 48,797	\$ 31,787	\$ 17,010	N/A	N/A

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

NORTH ROUTT FIRE PROTECTION DISTRICT
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property, net of tax collection fees of \$2,333	\$ 78,020	\$ 75,383	\$ (2,637)
Specific ownership	-	4,749	4,749
Total Revenues	78,020	80,132	2,112
Expenditures:			
Debt service:			
Principal	70,000	70,000	-
Interest	2,320	2,320	-
Total Expenditures	72,320	72,320	-
Excess of Revenues Over Expenditures	5,700	7,812	<u>\$ 2,112</u>
Fund Balance, Beginning of Year	79,139	79,139	
Fund Balance, End of Year	<u>\$ 84,839</u>	<u>\$ 86,951</u>	