Boulder Public Library District
Financial Statements
December 31, 2025

BOULDER PUBLIC LIBRARY

Boulder Public Library District
Financial Report
December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Boulder Public Library District
Boulder, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the discretely presented component unit of Boulder Public Library District (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the discretely presented component unit of the 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 ("U.S. GAAP").

We did not audit the financial statements of Boulder Public Library Foundation, which represent 100% percent of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Boulder Public Library Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. 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 one year after the date that the financial statements are issued.

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 U.S. 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 U.S. 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.

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in section B, the Schedule of District's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of District Contributions in section E 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 U.S. 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.

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



McMahan and Associates, L.L.C.
Avon, Colorado
September 29, 2026

Management's Discussion and Analysis

BOULDER PUBLIC LIBRARY

Boulder Public Library District

Management's Discussion and Analysis
December 31, 2025

As management of Boulder Public Library District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of the District by $9,922,212 at December 31, 2025. Of this amount, $3,058,612 may be used to meet the District's ongoing obligations to patrons.

- The District's total Net Position decreased by $2,256,166.

- At the end of 2025, total fund balance for the General Fund was $7,403,612 or 31% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: Government-wide financial statements, fund financial statements, and Notes to the 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, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activity of the District is library services. There are currently no business-type activities of the District and the District discretely presents the Boulder Public Library Foundation, a non-profit organization formed exclusively for the benefit of, to perform the functions of, or to carry out the charitable and educational purposes of the District.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Overview of the Financial Statements (continued)

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently has two funds, the General Fund and Grant Fund, which are governmental funds.

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

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

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in section D of this report.

Government-wide financial analysis: The majority of the District's revenue was from property tax (see the Notes to the Financial Statements). Most of the District's assets are reflected in the investment in capital assets (i.e. buildings, books, furniture, fixtures, and equipment). Capital assets account for 19% of the total assets. The District will use these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining assets, 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

Boulder Public Library District's Net Position

	2025	2024
Assets:		
Current and other assets	30,298,273	32,397,170
Capital assets	7,095,501	4,139,135
Total Assets	37,393,774	36,536,305
Deferred Outflows of Resources	2,267,936	-
Liabilities:		
Other liabilities	1,209,621	1,183,396
Long-term liabilities	6,910,633	1,777,881
Total Liabilities	8,120,254	2,961,277
Deferred Inflows of Resources	21,619,244	21,396,650
Net Position:		
Investment in capital assets	6,147,600	834,575
Restricted	716,000	551,000
Unrestricted	3,058,612	10,792,803
Total Net Position	9,922,212	12,178,378

Approximately 62% of the District’s net position reflects its investment in capital assets, which includes buildings, equipment, land, vehicles, and books and periodicals.

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

The following table summarizes the District's changes in net position at December 31, 2025:

Boulder Public Library District's Change in Net Position

Revenues:	**2025**	**2024**
Program revenues:		
Collection revenue	13,149	14,933
Donations	1,256	611
Grant income	159,276	623,144
General revenues:		
Property taxes	20,747,231	22,014,187
Earnings on investments	514,551	879,951
Other income	211,704	693,704
Total Revenues	21,647,167	24,226,530
Expenses:		
Library services	23,903,333	18,011,218
Total Expenses	23,903,333	18,011,218
Change in Net Position	(2,256,166)	6,215,312
Net Position:		
Beginning of Year	12,178,378	5,963,066
Ending of Year	9,922,212	12,178,378

The District's total Net Position decreased by $2,256,166. The most significant source of revenue for the District is property taxes.

Overview of the Financial Statements (continued)

Budget variances in the General Fund: The District's 2025 budget was approved at the end of 2024. Significant budget variances were as follows:

	Original & Final Budget	Actual	Variance From Final Budget	Reason
Revenues:				
Property taxes	21,437,601	20,747,231	(690,370)	Budget did not expect abatements for prior year.
Expenditures:				
Salaries and benefits	14,132,216	12,987,205	1,145,011	
Library operations	672,580	401,364	271,216	District budgeted conservatively for second year of operations.
Administration	1,931,700	1,564,746	366,954	
Facilities	2,003,683	1,660,730	342,953	
Capital outlay	4,490,300	4,114,188	376,112	

Capital assets: The District had capital of assets of $7,095,501 at the end of 2025. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements in section D of this report.

Next year's budget and rates: The District had $7,403,612 of fund balance at the end of the current fiscal year. The budget anticipates revenues of $38,666,145 and expenditures of $38,521,172.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Boulder Public Library District, 1001 Arapahoe Avenue, Boulder, CO 80302.

Basic Financial Statements

BOULDER PUBLIC LIBRARY

Boulder Public Library District
Balance Sheet / Statement of Net Position
December 31, 2025

	Primary Government				
	General Fund	Grant Fund	Adjustments	Statement of Net Position	Component Unit
Assets:					
Cash and cash equivalents	76,667	230,188	-	306,855	144,073
Investments	8,408,412	-	-	8,408,412	5,815,114
Prepaid expenses	117,662	-	-	117,662	1,064
Accounts receivable	4,772	-	-	4,772	188,723
Internal balances	374	(374)	-	-	-
Property taxes receivable	21,460,572	-	-	21,460,572	-
Capital assets, net	-	-	7,095,501	7,095,501	-
Total Assets	30,068,459	229,814	7,095,501	37,393,774	6,148,974
Deferred Outflows of Resources:					
Pension related	-	-	2,172,714	2,172,714	
OPEB related	-	-	95,222	95,222	
Total Deferred Outflows of Resources	-	-	2,267,936	2,267,936	
Liabilities:					
Accounts payable	752,013	5,346	-	757,359	37,537
Accrued payroll	452,262	-	-	452,262	-
Unearned revenue	-	179,430	-	179,430	-
Net pension liability	-	-	4,743,687	4,743,687	-
Net OPEB liability	-	-	293,713	293,713	-
Accrued compensated absences	-	-	745,902	745,902	-
Lease liability					
Due within one year	-	-	166,650	166,650	-
Due in more than one year	-	-	474,248	474,248	-
SBITA liability					
Due within one year	-	-	307,003	307,003	-
Total Liabilities	1,204,275	184,776	6,731,203	8,120,254	37,537
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	21,460,572	-	-	21,460,572	
OPEB related	-	-	158,672	158,672	
Total Deferred Inflows of Resources	21,460,572	-	158,672	21,619,244	
Fund Balance/Net Position:					
Fund Balance:					
Non-spendable	117,662	-	(117,662)		
Restricted for emergencies	716,000	-	(716,000)		
Committed	0	45,038	(45,038)		
Assigned	2,550,000	-	(2,550,000)		
Unassigned	4,019,950	-	(4,019,950)		
Total Fund Balance	7,403,612	45,038	(7,448,650)		
Total Liabilities, Deferred Inflows of Resources and Fund Balance	30,068,459	229,814			
Net Position:					
Investment in capital assets			6,147,600	6,147,600	-
Restricted for emergencies			716,000	716,000	-
Restricted by donors			-	-	1,286,115
Unrestricted			3,058,612	3,058,612	4,825,322
Total Net Position			9,922,212	9,922,212	6,111,437

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

Boulder Public Library District
Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2025

	Primary Government				
	General Fund	Grant Fund	Adjustments	Statement of Activities	Component Unit
Revenues:					
Property taxes	20,747,231	-	-	20,747,231	-
Earnings on investments	514,551	-	-	514,551	867,557
Fines, fees and other revenue	13,149	-	-	13,149	-
Donations	1,256	-	-	1,256	500,933
Grant income	-	159,276	-	159,276	-
Other income	211,704	-	-	211,704	238,714
Total Revenues	21,487,891	159,276	-	21,647,167	1,607,204
Expenditures/Expenses:					
Salaries and benefits	12,987,205	61,313	3,125,191	16,173,709	-
Library operations	401,364	-	-	401,364	-
Administration	1,564,746	5,400	-	1,570,146	-
Board of Trustee governance	4,901	-	-	4,901	-
Collections	1,216,289	19,765	-	1,236,054	-
IT support services	1,106,358	-	-	1,106,358	-
Facilities	1,660,730	5,000	95,687	1,761,417	-
Programs and events	454,311	41,692	-	496,003	
Foundation program services	-	-	-	-	826,511
Capital outlay	4,114,188	41,967	(4,156,155)	-	-
Depreciation and amortization expense	-	-	1,104,101	1,104,101	-
Debt service:					
Principal	477,536	-	(477,536)	-	-
Interest	49,280	-	-	49,280	-
Total Expenditures/Expenses	24,036,908	175,137	(308,712)	23,903,333	826,511
Excess (Deficiency) of Revenue Over Expenditures	(2,549,017)	(15,861)	308,712	(2,256,166)	780,693
Other Financing Sources (Uses)					
Transfers	(60,899)	60,899	-	-	-
Leases issued	196,404	-	(196,404)	-	-
Total Other Financing Sources (Uses)	135,505	60,899	(196,404)	-	-
Change in Fund Balance / Net Position	(2,413,512)	45,038	112,308	(2,256,166)	780,693
Fund Balances/Net Position:					
Beginning of Year	9,817,124	-	2,361,254	12,178,378	5,330,744
End of Year	7,403,612	45,038	2,473,562	9,922,212	6,111,437

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

Notes to the Basic Financial Statements

BOULDER PUBLIC LIBRARY

I. Summary of Significant Accounting Policies

The Boulder Public Library District (the "District") was established November 8, 2022 by the voters of Boulder County as a political subdivision of the State of Colorado to provide library services throughout Boulder County. The District is governed by a seven (7) member board of trustees (the "Trustees") appointed by the City of Boulder Council and Board of County Commissioners with consent of the legislative body.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). 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 by GAAP used by the District are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government and its component unit. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the District. The District's financial statements include the Boulder Public Library Foundation, Inc. (the "Foundation") which was formed exclusively to carry out the charitable and education functions of the District.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component unit.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, the District has only governmental activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's Net Position is reported in three parts - invested in capital assets, net of related debt; restricted net position and unrestricted net Position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's Net Position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the District are reported in the general fund, which is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, TABOR reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

This fund accounts for resources devoted to the financing of general services that the District provides to its citizens. Tax revenues are used to finance the fundamental operations of the district.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents and Investments (continued)

Colorado statute permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and unavailable property tax revenue.

3. Capital Assets

Capital assets, which include land, buildings, equipment, furniture and fixtures, and library materials are reported in the government-wide financial statements. Capital assets are determined using the following cost thresholds.

Assets	Threshold
Land	All
Buildings, leasehold, and land improvements	50,000
Furniture, fixtures and equipment	5,000
Library materials	All

Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Buildings, furniture, fixtures and equipment and library materials are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings	20 - 40
Furniture, fixtures and equipment	3 - 10
Library materials	6
Vehicles	5 - 8

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has two items that qualify for reporting under this category on the government-wide Statement of Net Position: pension and OPEB related deferred outflows. Pension and OPEB related deferred outflows comprise pension contributions made after the measurement date, and the difference between projected and actual earnings, which will be recognized as a reduction of the net pension liability in future periods.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category. Accordingly, these items, unavailable revenue from property taxes deferred and Pension and OPEB related inflows, are recognized as inflows of resources in the period that the amounts become available.

5. Subscription Based Information Technology Arrangement ("SBITA") and Leases

The District is party to a noncancellable right-of-use subscription asset and noncancellable leases of library space. The District recognizes a subscription liability and lease liability and an intangible right-to-use subscription asset and lease asset in the government-wide financial statements respectively.

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

Key estimates and judgments related to SBITAs and leases include how the District determines the following:

Discount Rate: The District uses the interest rate charged by the lessor as the discount rate to discount the expected payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.

Term: The subscription or lease term includes the noncancellable period of the term and extended term(s) that the District is reasonably certain to exercise.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Subscription Based Information Technology Arrangement ("SBITA") and Leases (continued)

Payments: Payments included in the measurement of the subscription or lease liability are composed of fixed increasing 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 liabilities and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Subscription and lease assets are reported with other capital assets and subscription and lease liabilities are reported with long-term debt on the Statement of Net Position.

6. Accrued Compensated Absences

The District allows its employees to accumulate personal days off, based on the employee's length of service. Personal days off can be accrued up to a maximum of 240 hours. Personal days off are paid out upon termination up to the maximum accrual. The District also allows employees to accumulate sick leave. Sick leave is granted at 80 hours annually regardless of employee's length of service. Sick leave does not carry over to the subsequent year.

The District recognizes accumulated personal days off as a liability for compensated absences.

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

E. Fund Balance Disclosure

The District classifies governmental fund balances as follows:

1. **Non-spendable** - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. As of December 31, 2025, $117,662 was non-spendable prepaid expenditures.

I. **Summary of Significant Accounting Policies (continued)**

E. Fund Balance Disclosure (continued)

2. Spendable Fund Balance:

a. **Restricted** – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. As of December 31, 2025, $716,000 was restricted for emergencies.

b. **Committed** – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the board of directors. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

c. **Assigned** – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the board or its management designee.

d. **Unassigned** - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District's policy is to maintain a general reserve that will provide for sufficient cash flow to operate the District. This amount was $2,550,000 for 2025.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes adjustments between *fund balance – governmental funds* and *Net Position of governmental activities* as reported in the government-wide Statement of Net Position. Below are the elements of the adjustment's column.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. $7,095,501 represents the net book value of capital assets at cost of $8,894,835 offset by accumulated depreciation and amortization of $1,799,334 at December 31, 2025.

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position (continued)

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements. $307,003 and $640,898 represent long term subscription and lease liability outstanding respectively as of December 31, 2025. Accrued compensated absences totaled $745,902 . Total pension and OPEB deferred outflows of resources were $2,267,936, total net pension and OPEB liabilities were $5,037,400, and total pension and OPEB deferred inflows of resources were $158,672.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes adjustments between *net change in fund balance of governmental funds* and *changes in Net Position of governmental activities* as reported in the government-wide Statement of Activities. Below are the elements of the adjustment's column.

Capital asset additions are reported as expenditures in governmental funds, however in the Statement of Activities, these costs are allocated over the estimated useful lives of those assets. Additions of capital and lease assets were $4,060,467. Depreciation expense was $1,104,101.

Principal payment on long-term debt is an expense in the fund and reduction of liability in the Statement of Activities, $477,536 represents payments on long-term debt for the year ended December 31, 2025. Changes in the accrued compensated absences of $197,054 resulted in an increase of salaries' expense in the Statement of Activities.

Changes in pension and OPEB related deferred inflows of resources, liabilities, and deferred outflows of resources, are not reported in the funds. The total change in these related assets and liabilities were a $2,928,137 increase to salaries' expense in the Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end. In the fall of each year, the District's Board of Trustees formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

(1) For the 2025 budget, prior to August 25, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries.

(2) On or before October 15, 2024, the Director submitted to the District's Board of Trustees a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

(3) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.

(4) After a required public hearing, the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

(5) After adoption of the budget resolution, the District may make the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

B. TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 ("TABOR"), which has several limitations, including raising revenue, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue (excluding bonded debt service). The District has reserved a portion of its December 31, 2025 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of $716,000, which is the approximate required reserve at December 31, 2025.

The District's voters approved the following ballot questions on November 8, 2022:

Shall the District be entitled to collect, retain and spend those revenues in addition to any other taxes, fees or other revenues of the District, notwithstanding any limitation or restriction of Article X, Section 20 of the Colorado Constitution, or without regard to the 5.5% property tax revenue limitation of Section 29-1-301, C.R.S, or any other law, and shall the District be formed?

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

IV. Detailed Notes on All Funds

A. Cash and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the District's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits and petty cash was $306,855 at year end.

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: matrix pricing based on the securities' relationship to benchmark quoted prices;

The District had no investments requiring fair value measurement. The District's component unit had open-end mutual funds valued at Level 1 of $5,713,666. The District values its Colotrust investments at net asset value.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. District investment policy limits investments to those authorized by State statutes. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

IV. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

At December 31, 2025, the District had the following cash and investments with the following maturities:

	Carrying Amounts	Maturities: Less than one year	Maturities: One to Five years
Primary Government:			
Cash and cash equivalents:			
Checking	306,855	306,855	-
Investments:			
Colotrust	8,408,412	8,408,412	-
Total Primary Government	8,715,267		
Component Unit:			
Cash and cash equivalents:			
Checking	144,073		
Investments:			
Certificates of deposit	101,448		
Open-end mutual funds	5,713,666		
Total Component Unit	5,959,187		

B. Receivables and Deferred Inflows of Resources

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. A deferred inflow amount of $21,460,572 is for unavailable property taxes levied in 2025 but not available until 2026.

C. Subscription-Based Information Technology Arrangements ("SBITA")

The District entered into a SBITA for the use of the network equipment and software. The agreement consists of an upfront payment of $99,483 for network licensing and monthly payments of $27,180 for IT support and cloud services beginning in December 2023, for a three-year term ending December 2026. The agreement has an interest rate of 3.84%.

Debt Service Requirements

Total future minimum subscription payments are as follows:

Year	Principal	Interest	Total
2026	307,003	5,926	312,929
Total	307,003	5,926	312,929

IV. Detailed Notes on All Funds (continued)

D. Leases

The District entered into a lease agreements for the rent of two library buildings. The term is 5 years with one option to renew for 5 years. Rents are due monthly. The agreements have an interest rate of 4.64% and 4.4%.

Debt Service Requirements

Total future minimum lease payments under the lease agreements are as follows:

Year	Principal	Interest	Total
2026	166,650	25,286	191,936
2027	175,567	17,627	193,194
2028	184,894	9,596	194,490
2029	106,198	2,072	108,270
2030	7,589	137	7,726
Total	640,898	54,718	695,616

E. Changes in Long-Term Liabilities

The District had the following changes in debt and long-term liabilities for the year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Amount
Governmental activities:					
Subscription based technology arrangements	629,837	-	(322,834)	307,003	307,003
Lease liability	599,196	196,404	(154,702)	640,898	166,650
Accrued compensated absences*	548,848	197,054	-	745,902	186,476
Total	1,777,881	393,458	(477,536)	1,693,803	660,129

**The change in accrued compensated absences are presented as a net change.*

IV. Detailed Notes on All Funds (continued)

F. Capital Assets

The District had the following capital asset changes during the past year:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	929,346	-	(929,346)	-
Total capital assets not being depreciated	929,346	-	(929,346)	-
Capital assets, being depreciated:				
Buildings and leasehold improvements	-	4,076,217	-	4,076,217
Furniture, fixtures, and equipment	1,461,343	151,220	-	1,612,563
Books and media	707,465	565,972	-	1,273,437
SBITA asset	1,065,369	-	-	1,065,369
Building lease asset	670,845	196,404		867,249
Total capital assets being depreciated:	3,905,022	4,989,813	-	8,894,835
Less accumulated depreciation for:				
Buildings and leasehold improvements	-	337,688	-	337,688
Furniture, fixtures, and equipment	238,867	101,668	-	340,535
Books and media	-	150,926	-	150,926
SBITA asset	384,717	355,123	-	739,840
Building lease asset	71,649	158,696	-	230,345
Total accumulated depreciation	695,233	1,104,101	-	1,799,334
Governmental Activities Capital Assets, Net	4,139,135	3,885,712	(929,346)	7,095,501

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IV. Detailed Notes on All Funds (continued)

G. Foundation Endowment – Component Unit

Boulder Public Library Foundation's ("BPLF") net assets with donor restriction consist of several individual endowment funds established with donor restrictions on the use of principal and earnings.

Boulder Reads! Is a program of the Library that provides adult literacy programming and uses the Library facilities. BPLF and Boulder Reads! Conducted a fundraising campaign to support adult literacy in the City of Boulder. The funds received must be kept in a separate account held by BPLF. The funds appropriated to be spent in a given year may not exceed the fund's earning from the previous year. Unspent earnings from a given year become principal of the fund. The principal is to be maintained in perpetuity.

A donor established a fund to support the Maria Rogers Oral History Project housed in the Library's Carnegie Library for Local History. The income and, if necessary, the principal may be used to support the Maria Rogers Oral History Project. Support is required to be for contract position salaries and reasonable travel, meals and lodging for the contract positions. Fund principal and interest may be appropriated as long as the remaining fund assets exceed $300,000.

The State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and BPLF has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Since each fund's donor provided explicit donor stipulations, the funds are managed based on those stipulations. Appropriations for both funds are based on requests made by Boulder Reads! Or the Library based on their needs.

The following are the changes in the endowment net assets for the year ended December 31, 2025:

	Boulder Reads!	Maria Rogers	La Camera	Laurence Paddock
Endowment net assets at January 1, 2025	78,031	441,802	179,215	-
Contributions received	13,100	1,000	-	50,000
Investment return, net	14,602	69,688	28,194	8,897
Appropriation of endowment assets for expenditure	(3,900)	(21,900)	(8,900)	-
Endowment net assets at December 31, 2025	101,833	490,590	198,509	58,897

Endowment assets include those assets of donor-restricted funds that BPLF must hold in perpetuity. BPLF has adopted investment and spending policies for endowment assets that attempt to provide a reasonable, predictable, stable, and sustainable level of appropriation that supports current needs and provides for growth in assets and income over time. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return that preserves the purchasing power of the endowment as well as providing a consistent level of earnings for appropriation. The rate of return has been based upon the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the investment portfolio. Actual returns in any given year may vary from this amount.

V. Other Information

A. Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; volunteer injuries; natural disasters. Commercial insurance coverage is purchased for claims arising from such matters.

B. Retirement Plans

Local Government Division Trust Fund

Plan description. Eligible employees of the District are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

V. Other Information (continued)

B. Retirement Plans (continued)

Local Government Division Trust Fund (continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For Safety Officers whose disability is caused by an on- the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2025: Eligible employees of, District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates are summarized in the following table:

	Jan 1, 2024 Through Dec 31, 2024	Jan1, 2025 Through Dec 31, 2025
Employee contribution (all employees other than Safety Officers)	9.00%	9.00%
Safety Officers	13.00%	13.00%

[1] Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

V. Other Information (continued)

D. Retirement Plans (continued)

Local Government Division Trust Fund (continued)

The District contribution requirements for all employees other than Safety Officers are summarized in the following table:

	Jan 1, 2024 Through Dec 31, 2024	Jan 1, 2025 Through Dec 31, 2025
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified inC.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	**13.76%**	**13.79%**

*Contribution Supplement rates increased from 0.08% to 0.11% on January 1, 2025, pursuant to C.R.S. § 24-51

The employer contribution requirements for Safety Officers are summarized in the following table:

	Jan 1, 2024 Through Dec 31, 2024	Jan 1, 2024 Through Dec 31, 2025
Employer contribution rate	14.10%	14.10%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the LGDTF	13.08%	13.08%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	**16.86%**	**16.89%**

* Contribution Supplement rates increased from 0.08% to 0.11% on January 1, 2025, pursuant to C.R.S. § 24-5

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $1,228,364 for the year ended December 31, 2025.

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V. Other Information (continued)

D. Retirement Plans (continued)

Local Government Division Trust Fund (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The District proportion of the net pension liability was based on the District contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

At December 31, 2025, the District reported a liability of $4,743,687 for its proportionate share of the net pension liability. At December 31, 2024, the District did not report a liability as a new participant in the local government division trust fund.

For the year ended December 31, 2025 the District recognized pension expense of $2,570,973. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	357,950	-
Changes of assumptions or other inputs	140,000	-
Net difference between projected and actual earnings	446,400	-
Changes in proportionate share	-	-
District contributions subsequent to the measurement date	1,228,364	-
Totals	**2,172,714**	**-**

$1,228,364 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 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,	Amortization
2026	868,037
2027	1,131,028
2028	(755,583)
Thereafter	(299,132)
Totals	944,350

V. Other Information (continued)

D. Retirement Plans (continued)

Local Government Division Trust Fund (continued)

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than Safety Officers	3.20%-11.30%
Safety Officers	3.20%-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

* Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

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V. Other Information (continued)

D. Retirement Plans (continued)

Local Government Division Trust Fund (continued)

Actuarial assumptions(continued) All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	
Members other than Safety Officers	3.40%-13.00%
Safety Officers	3.20%-16.30%

V. Other Information (continued)

D. Retirement Plans (continued)

Local Government Division Trust Fund (continued)

Actuarial assumptions(continued) Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

V. Other Information (continued)

D. Retirement Plans (continued)

Local Government Division Trust Fund (continued)

Actuarial assumptions(continued) Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	**100.00%**	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

V. Other Information (continued)

D. Retirement Plans (continued)

Local Government Division Trust Fund (continued)

Discount rate (continued):

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease to 6.25%	Assumption 7.25%	1% Increase to 8.25%
District's proportionate share of the net pension liability/(asset)	11,086,495	4,743,687	6,038

V. Other Information (continued)

D. Retirement Plans (continued)

Voluntary Investment Program

Plan Description - Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended.

Deferred Compensation Plan. Plan Description - Employees of the District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy - The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended.

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

DPS Benefit Structure The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $90,858 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB At December 31, 2025 the District reported a liability of $293,713 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District proportion of the net OPEB liability was based on the District contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District proportionate share was 0.061%.

For the year ended December 31, 2025, the District recognized OPEB expense of $357,163. At December 31, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

V. Other Information (continued)

D. Retirement Plans (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB(continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	64,787
Changes of assumptions or other inputs	3,368	93,885
Net difference between projected and actual earnings	996	-
District contributions subsequent to the measurement date	90,858	-
Totals	95,222	158,672

$90,858 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended 2026.Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amortization
2026	(45,121)
2027	(26,599)
2028	(36,321)
2029	(22,428)
Thereafter	(23,839)
Totals	(154,308)

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:'

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034	
MAPD PPO #2			105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums			3.50% in 2024, gradually increasing to 4.50% in 2033	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Actuarial assumptions(continued) Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$1,710	$1,420	$585	$486	$1,897	$1,575
70	$1,921	$1,589	$657	$544	$2,130	$1,763
75	$2,122	$1,670	$726	$571	$2,353	$1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,536	$5,429	$4,241	$3,523	$7,063	$5,866
70	$7,341	$6,073	$4,764	$3,941	$7,933	$6,563
75	$8,110	$6,385	$5,262	$4,143	$8,763	$6,900

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Actuarial assumptions(continued) The 2024 Medicare Part A premium is $505 per month.

All costs are subject to the health care cost trend rates, discussed as follows.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the following table:

Year	PERACare Medicare Plans[1]	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

**Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.*

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Actuarial assumptions(continued) Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 112% of the rates prior to age 80/ 94% of the rates age 80 and older **Females**: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024:

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued) The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 106% of the rates for all ages **Females**: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued) Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51%	5.00%
Fixed Income	23%	2.60%
Private Equity	10%	7.60%
Real Estate	10%	4.10%
Alternatives	6%	5.20%
Total	**100%**	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	285,799	293,713	302,668

V. Other Information (continued)

D. Retirement Plans (continued)

Defined Benefit Other Post Employment Benefit (OPEB) Plan (continued)

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District proportionate share of the net OPEB liability to changes in the discount rate. The following table presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease to 6.25%	Assumption 7.25%	1% Increase to 8.25%
District's proportionate share of the net OPEB liability/(asset)	359,949	293,713	236,609

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies. www.copera.org/forms-resources/financial-reports-and-studies.

Required Supplementary Information

BOULDER PUBLIC LIBRARY

Boulder Public Library District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended December 31, 2025
(With Comparative Totals For the Year Ended 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Property taxes	21,437,601	21,437,601	20,747,231	(690,370)	22,014,187
Earnings on investments	512,174	512,174	514,551	2,377	879,951
Fines, fees and other revenue	-	-	13,149	13,149	14,933
Donations	-	-	1,256	1,256	611
Grant income	-	-	-	-	623,144
Other income	58,053	58,053	211,704	153,651	693,704
Total Revenues	22,007,828	22,007,828	21,487,891	(519,937)	24,226,530
Expenditures:					
Salaries and benefits	14,132,216	14,132,216	12,987,205	1,145,011	10,064,206
Library operations	672,580	672,580	401,364	271,216	327,093
Administration	1,931,700	1,931,700	1,564,746	366,954	1,756,879
Board of Trustee governance	7,000	7,000	4,901	2,099	5,701
Collections	1,220,290	1,220,290	1,216,289	4,001	1,600,597
IT support services	1,195,140	1,195,140	1,106,358	88,782	925,610
Facilities	2,003,683	2,003,683	1,660,730	342,953	1,419,948
Programs and events	521,000	521,000	454,311	66,689	419,777
Intergovernmental expense	-	-	-	-	696,737
Capital outlay	4,490,300	4,490,300	4,114,188	376,112	2,676,595
Debt service:					
Principal	-	-	477,536	(477,536)	382,340
Interest	-	-	49,280	(49,280)	46,537
Total Expenditures	26,173,909	26,173,909	24,036,908	2,137,001	20,322,020
Excess (Deficiency) of Revenues Over Expenditures	(4,166,081)	(4,166,081)	(2,549,017)	1,617,064	3,904,510
Other Financing Sources (Uses):					
Transfer out	-	-	(60,899)	(60,899)	-
Leases issued	-	-	196,404	196,404	670,845
Total Other Financing Sources (Uses)	-	-	135,505	135,505	670,845
Change in Fund Balance	(4,166,081)	(4,166,081)	(2,413,512)	1,752,569	4,575,355
Fund Balance					
Beginning of Year	4,166,081	4,166,081	9,817,124	5,651,043	5,241,769
End of Year	-	-	7,403,612	7,403,612	9,817,124

Boulder Public Library District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Grant Fund
For the Year Ended December 31, 2025

	2025			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Grant income	-	398,506	159,276	(239,230)
Total Revenues	-	398,506	159,276	(239,230)
Expenditures:				
Salaries and benefits	-	94,479	61,313	33,166
Library operations	-	-	-	-
Administration	-	15,000	5,400	9,600
Board of Trustee governance	-	-	-	-
Collections	-	83,044	19,765	63,279
IT support services	-	1,600	-	1,600
Facilities	-	5,000	5,000	-
Programs and events	-	154,291	41,692	112,599
Intergovernmental expense	-	-	-	-
Capital outlay	-	45,092	41,967	3,125
Total Expenditures	-	398,506	175,137	223,369
Excess (Deficiency) of Revenues Over Expenditures	-	-	(15,861)	(15,861)
Other Financing Sources (Uses):				
Transfer in	-	-	60,899	60,899
Total Other Financing Sources (Uses)	-	-	60,899	60,899
Change in Fund Balance	-	-	45,038	45,038
Fund Balances				
Beginning of Year	-	-	-	-
End of Year	-	-	45,038	(45,038)

BOULDER PUBLIC LIBRARY DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association Local Government Division Trust Fund
Last 10 Fiscal Years *

For the measurement date of December 31,	2024
District's proportion of the net pension liability	0.7731%
District's proportionate share of the net pension liability	4,743,687
District's covered payroll	7,221,218
District's proportionate share of the net pension liability as a percentage of its covered payroll	66%
Plan fiduciary net position as a percentage of the total pension liability	67.17%

* The District participated in the plan beginning in the measurement year 2024.

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

BOULDER PUBLIC LIBRARY DISTRICT
Schedule of District's Pension Contributions
Colorado Public Employees' Retirement Association Local Government Division Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended December 31,	**2025**	**2024**
Contractually required contribution	1,228,364	1,038,479
Contributions in relation to the contractually required contribution	(1,228,364)	(1,038,479)
Contribution deficiency (excess)	-	-
District's covered payroll	8,880,986	7,547,086
Contributions as a percentage of covered payroll	13.83%	13.76%

* The District participated in the plan beginning in the fiscal year 2024.

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

BOULDER PUBLIC LIBRARY DISTRICT
Schedule of the District's Proportionate Share of the Other Post-Employment Benefits Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

For the measurement date of December 31,	2024
District's proportion of the net OPEB liability	0.0614%
District's proportionate share of the net OPEB liability	293,713
District's covered payroll	7,221,218
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	4%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%

* The District participated in the plan beginning in the measurement year 2024.

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

BOULDER PUBLIC LIBRARY DISTRICT
Schedule of District's Other Post-Employment Benefits Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended December 31,	**2025**	**2024**
Contractually required contribution	90,858	76,980
Contributions in relation to the contractually required contribution	(90,858)	(76,980)
Contribution deficiency (excess)	-	-
District's covered payroll	8,880,986	7,547,086
Contributions as a percentage of covered payroll	1.02%	1.02%

* The District participated in the plan beginning in the fiscal year 2024.

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

I. Notes to the Required Supplementary Information – PERA

A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

1. Changes since the December 31, 2023 actuarial valuation:

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were $486,000 and $20,000, respectively.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

B. Changes to assumptions or other inputs

1. Changes since the December 31, 2023 actuarial valuation:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

II. Notes to the Required Supplementary Information – OPEB

A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

1. Changes since the December 31, 2023 actuarial valuation:

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $20,000 and $486,000, respectively.

II. Notes to the Required Supplementary Information – OPEB

B. Changes to assumptions or other inputs

1. Changes since the December 31, 2023 actuarial valuation:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.