

RATTLESNAKE FIRE PROTECTION DISTRICT

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2025

RATTLESNAKE FIRE PROTECTION DISTRICT

ANNUAL FINANCIAL REPORT For the Year Ended December 31, 2025

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Independent Auditor's Report

Board of Directors
Rattlesnake Fire Protection District
Elbert County, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Volunteer Firefighters' Pension Plan Schedule of Changes in Net Pension Liability and Related Ratios, Volunteer Firefighters' Pension Plan Schedule of District Contributions, Volunteer Firefighters' Pension Plan Schedule of Net Pension Liability/(Asset), Fire and Police Association Statewide Retirement Plan Schedule of Proportionate Share of the Net Pension Liability/(Asset), and Fire and Police Association Statewide Retirement Plan Schedule of District Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
June 22, 2026

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

As management of Rattlesnake Fire Protection District (the "District"), we offer the readers of the District's financial statements and related notes this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025.

Financial Highlights

- The government-wide net position of the District is defined by the amount that the District's assets and deferred outflows of resources exceeds its liabilities and deferred inflows of resources. The net position of the District at the close of the most recent fiscal year was \$4,911,195, of this amount \$2,528,751 (unrestricted net position) may be used to meet the District's ongoing obligations to residents and creditors.
- The District's net position increased by \$411,464. The majority of the increase can be attributed to an increase in property taxes due to higher property valuations and the specific ownership taxes due to an increase in residents.
- During 2025 the District spent a total of \$395,457 for capital equipment and building improvements. Extrication equipment was added, a used fire engine and an engine motor replaced. Also an addition to one of the District's stations for which a grant was received was started with completion scheduled for 2026.
- As of December 31, 2025, the District's general fund reported an ending fund balance of \$2,339,237, an increase of \$204,078.

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 comprised of four components: 1) government-wide financial statements, 2) general fund financial statements, 3) notes to the financial statements and, 4) required supplemental information.

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 that of a private-sector business.

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

The statement of net activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as

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

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 may result in cash flows in future fiscal periods.

The statement of activity identify functions of the District that are supported by charges for services and general revenues, primarily property taxes.

The governmental activities of the District include fire prevention, fire protection, and emergency medical services and support.

The government-wide financial statements can be found on pages 1 – 2 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses governmental fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 the balance 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund, the general fund and adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstration compliance with its budget.

The basic governmental fund financial statements can be found on pages 3 – 6 of this report.

Notes to the Financial Statements - The notes to the financial statements 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 starting on page 7 of this report.

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

Government-Wide Financial Analysis

As noted earlier, the District's net position may, over time, serve as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,911,195 at the close of the most recent fiscal year.

The District's current and other assets increased by \$355,531, or 9.25%, primarily due to an increase in the District's property taxes receivable due to an increase in the District's assessed valuation for property taxes levied for collection in 2026 and an increase cash deposits and investments due to collection of impact fees collected on new construction in 2025. Capital assets increased due to current year capital additions, as further discussed below. Deferred outflows of resources and deferred inflows of resources both decreased due to the recording of the FPPA – Statewide Retirement Plan and the FPPA – Volunteer Firefighter Pension Plan in accordance with generally accepted accounting principles. Also, affecting the deferred inflows of resources was the increase in the deferred property tax revenue, also as a result of the increased assessed valuation. The District's Volunteer Firefighter Pension Plan has a net pension liability of \$62,391, in accordance with Governmental Accounting Standards Board ("GASB") GASB No. 68, *Accounting and Financial Reporting for Pensions*.

Rattlesnake Fire Protection District Statement of Net Position

	2025	2024
Current and other assets	\$ 4,198,976	\$ 3,843,445
Capital assets, net of accumulated depreciation	2,315,231	2,115,597
Deferred outflows of resources	417,907	526,842
Total ssets and deferred outflows of resources	<u>6,932,114</u>	<u>6,485,884</u>
Current liabilities	60,885	92,889
Long term liabilities, net pension liabilities	62,391	191,184
Deferred inflows of resources	1,897,643	1,702,080
Total Liabilities and deferred inflows of resources	<u>2,020,919</u>	<u>1,986,153</u>
Net Position		
Invested in capital assets, net of related debt	2,315,231	2,115,597
Restricted	1,069,476	1,022,302
Unrestricted	1,526,488	1,361,832
Total Net Position	<u>\$ 4,911,195</u>	<u>\$ 4,499,731</u>

A little under half of the District's net position (47.1%) reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and vehicles), net of accumulated depreciation and related debt, if any, used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to residents and visitors; consequently, these assets are not available for future spending.

At the end of the current fiscal year the District was able to report a positive net position.

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

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights ("TABOR") contains the requirement of establishing and maintaining an emergency reserve. The District's emergency reserve can only be used for specific events and circumstances as defined in TABOR. As of December 31, 2025, the District's emergency reserve was \$67,213.

In 2016, the State of Colorado passed House Bill 16-1088, Fire Protection District Impact Fee on new development. The legislation authorizes Fire Districts to impose an impact fee on the construction of new buildings, structures, facilities, or improvements, including oil and gas wells, on previously improved or unimproved real property for reasonable related added cost of fire protection services from the Fire Districts. Additionally, the County where the Fire District resides must be involved with the assessment and collection of the agreed impact fees. As of December 31, 2025 the District has accumulated \$1,002,263 of impact fees, including earned interest thereon, which are restricted for capital equipment, apparatus and improvements.

The remaining balance of the net position, \$1,526,488, is available to meet the District's ongoing obligations. Overall net position increased by \$411,464, as further described below.

Rattlesnake Fire Protection District Statement of Activities

	2025	2024
Revenue:		
Program revenues		
Charges for services	\$ 300,882	\$ 303,789
Operating grants and contributions	111,701	84,344
Capital grants and contributions	246,206	173,543
Total program revenues	<u>658,789</u>	<u>561,676</u>
General revenues		
Property and specific ownership taxes	1,786,882	1,762,895
Net investment income	99,597	114,617
Other	1,816	2,025
Total general revenues	<u>1,888,295</u>	<u>1,879,537</u>
Total revenues	<u>2,547,084</u>	<u>2,441,213</u>
 Expenses:		
Fire protection - operation	<u>2,135,620</u>	<u>1,975,610</u>
Total expenses	<u>2,135,620</u>	<u>1,975,610</u>
 Change in Net Position	411,464	465,603
Net Position-Beginning	<u>4,499,731</u>	<u>4,034,128</u>
Net Position-Ending	<u>\$ 4,911,195</u>	<u>\$ 4,499,731</u>

There was an increase in the District's net position for 2025 by \$411,464. The increase can be attributed to the continued increase in property taxes, specific ownership fees and impact fees on new construction.

RATTLESNAKE FIRE PROTECTION DISTRICT MANAGEMENT’S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

Financial Analysis of the District’s Funds

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

Governmental Funds - The focus of the District’s general fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the District’s net resources available for future spending, if necessary. As of the end of the current fiscal year, the District’s General Fund reported an ending balance of \$2,339,237, an increase of \$204,078. Approximately 94.6% or \$2,213,168 constitutes unassigned fund balance, which is available for future spending, if necessary, at the District’s discretion. The remainder of the fund balance is non-spendable as it pertains to prepaid expenses and the required TABOR emergency reserve.

General Fund Budgetary Highlights

There were no amendments to the general fund budget for 2025. Total budgeted revenues for 2025 was \$2,599,163 as compared to actual revenues of \$2,553,143 a variance of \$46,020. The variance can be attributed to collecting \$97,775 more in impact fees offset by \$142,404 of grant funds budgeted but not utilized in 2025 and will be carried over to 2026. Total budgeted expenditures for 2025 was \$2,590,657 as compared to actual expenditures of \$2,349,065 a variance of \$241,592. Operations was \$77,049 under budget due to no wildland fire operations or request for deployment along with \$164,543 of uncompleted capital expenditures that will carryover to 2026.

Capital Assets

The District’s investment in capital assets as of December 31, 2025, amounts to \$2,315,231 (net of accumulated depreciation). This investment in capital assets includes land, building and other improvements, equipment and apparatus. Extrication equipment was added, a used fire engine and an engine motor replaced. Along with the start to an addition to one of the District’s stations for which a grant was received with completion scheduled in 2026.

Economic Factors and Next Year’s Budget

The District has appropriated \$2,632,458 for spending in the 2026 fiscal year general fund budget.

- The District’s budget for 2026 reflects general property tax revenue of \$1,764,018 (based on an assessed valuation for the District of \$159,480,889 and a mill levy of 11.061 mills).

Requests for Information

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

**Rattlesnake Fire Protection District
46220 Coal Creek Drive
Parker, CO 80138**

Basic Financial Statements

**RATTLESNAKE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2025**

ASSETS

Cash deposits	\$ 70,652
Investments	2,167,440
Due from County Treasurer	16,337
Accounts receivable:	
Fleet Services	41,832
Emergency Medical Services (net of allowance for adjustments and uncollectibles of \$13,934)	79,841
Prepaid expenses	58,856
Property taxes receivable	1,764,018
Capital assets, not being depreciated	52,788
Capital assets, being depreciated, net of accumulated depreciation	2,262,443
TOTAL ASSETS	<u>6,514,207</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions - VPP	48,209
Deferred outflows related to pensions - SRP	369,698
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>417,907</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	17,685
Accrued wages and benefits payable	35,230
Payroll tax liabilities	7,970
Total current liabilities	<u>60,885</u>

LONG TERM LIABILITIES

Net pension liability - VPP	62,391
Total long term liabilities	<u>62,391</u>

TOTAL LIABILITIES

123,276

DEFERRED INFLOWS OF RESOURCES

Deferred property tax revenue	1,764,018
Deferred inflows related to pensions - VPP	60,808
Deferred inflows related to pensions - SRP	72,817

TOTAL DEFERRED INFLOWS OF RESOURCES

1,897,643

NET POSITION

Invested in capital assets	2,315,231
Restricted for TABOR emergency reserve	67,213
Restricted for capital equipment, apparatus and improvements	1,002,263
Unrestricted	1,526,488
TOTAL NET POSITION	<u>\$ 4,911,195</u>

**RATTLESNAKE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Fire protection operations	\$ 2,135,620	\$ 300,882	\$ 111,701	\$ 246,206	\$ (1,476,831)
Total Governmental Activities	\$ 2,135,620	\$ 300,882	\$ 111,701	\$ 246,206	(1,476,831)
General revenues:					
Property tax					1,581,776
Specific ownership tax					205,106
Mineral rights lease					1,371
Investment income					99,597
Other income					445
Total General Revenues					1,888,295
Change in net position					411,464
NET POSITION - BEGINNING OF YEAR					4,499,731
NET POSITION - END OF YEAR					\$ 4,911,195

**RATTLESNAKE FIRE PROTECTION DISTRICT
BALANCE SHEET - GENERAL FUND
DECEMBER 31, 2025**

ASSETS

Cash deposits	\$ 70,652
Investments	2,167,440
Due from County Treasurer	16,337
Accounts receivable:	
Fleet Services	41,832
Emergency Medical Services (net of allowance for adjustments and uncollectibles of \$13,934)	79,841
Prepaid expenses	58,856
Property taxes receivable	1,764,018
TOTAL ASSETS	\$ 4,198,976

LIABILITIES

Accounts payable	17,685
Accrued wages and benefits payable	35,230
Payroll tax liabilities	7,970
TOTAL LIABILITIES	60,885

DEFERRED INFLOWS OF RESOURCES

Property taxes	1,764,018
Deferred Emergency Medical Services revenue	34,836
TOTAL DEFERRED INFLOWS OF RESOURCES	1,798,854

FUND BALANCE

Non-spendable (Prepaid)	58,856
Restricted (Tabor)	67,213
Restricted (Capital equipment, apparatus and improvements)	1,002,263
Unassigned	1,210,905
TOTAL FUND BALANCE	2,339,237

TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

\$ 4,198,976

Adjustments to reconcile the fund balance sheet to the net position are as follows:

Fund balance per general fund balance sheet	\$ 2,339,237
Capital Assets used in governmental activities are not available financial resources and therefore, are not reported in the general fund	2,315,231
Certain amounts related to the District's pension plans reported on the statement of net position are not reported in the fund balance sheet:	
Net pension assets/(liabilities) - VPP	(62,391)
Deferred outflows related to pensions - VPP	48,209
Deferred outflows related to pensions - SRP	369,698
Deferred inflows related to pensions - VPP	(60,808)
Deferred inflows related to pensions - SRP	(72,817)

Certain revenue amounts are deferred in the fund statements as the are not
measurable and/or available, however they are recognized as revenue in the
statement of net position:

Deferred Emergency Medical Services revenue	34,836
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Net position per statement of net position **\$ 4,911,195**

**RATTLESNAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2025**

REVENUES:

Property taxes	\$ 1,581,776
Specific ownership taxes	205,106
Investment Income	99,597
Grants	48,885
Emergency Medical Services (net of \$109,576 adjustments and uncollectibles)	190,299
CMS Supplement Payment	61,491
Outsourced fleet services	106,073
Impact fees	241,775
Contributions	1,325
Mineral rights lease	1,371
Other	445
Total revenues	<u>2,538,143</u>

EXPENDITURES:

Fire protection operations	1,953,608
Capital outlay	395,457
Total expenditures	<u>2,349,065</u>

**EXCESS OF REVENUE OVER
(UNDER) EXPENDITURES**

189,078

OTHER FINANCING SOURCES (USES)

Sale of capital assets	15,000
Total other financing sources (uses)	<u>15,000</u>

NET CHANGE IN FUND BALANCE

204,078

FUND BALANCE - BEGINNING OF YEAR

2,135,159

FUND BALANCE - END OF YEAR

\$ 2,339,237

**RATTLESNAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2025**

A reconciliation reflecting the differences between the General Fund excess of revenues over (under) expenditures and changes in net position reported for governmental activities in the statement of activities is as follows:

Net change in fund balance - General Fund	<u>\$ 204,078</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	395,457
Depreciation	<u>(185,254)</u>
	<u>210,203</u>
Revenues and expenses in the statement of activities that do not provide or use current financial resources are not reported as revenues or expenditures in the funds:	
Proceeds from sale of capital assets	(15,000)
Gain on sale of capital assets	<u>4,431</u>
	<u>(10,569)</u>
Some expenses reported in the governmental fund statements were made subsequent to the measurement date for the net pension asset calculation and will therefore be reported as expenses.	
Deferred outflows of resources:	
District contributions subsequent to measurement date - SRP	98,525
District contributions subsequent to measurement date - VPP	<u>29,841</u>
	<u>128,366</u>
Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	
Change in deferred Emergency Medical Services revenue	4,510
Pension income/(expense) - SRP	(123,763)
Pension income/(expense) - VPP	<u>(1,361)</u>
	<u>(120,614)</u>
Change in net position	<u><u>\$ 411,464</u></u>

**RATTLESNAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual	Variance
REVENUES:			
Property taxes	\$ 1,585,663	\$ 1,581,776	\$ (3,887)
Specific ownership taxes	190,000	205,106	15,106
Interest on property taxes	500	2,116	1,616
Investment income	80,000	97,481	17,481
Grants:			
State	163,000	20,596	(142,404)
Other	-	28,289	28,289
Emergency Medical Services (net of \$109,576 adjustments and uncollectibles)	150,000	190,299	40,299
CMS supplement payment	50,000	61,491	11,491
Outsourced fleet services	100,000	106,073	6,073
Impact fees	144,000	241,775	97,775
Contributions	2,000	1,325	(675)
Mineral rights lease	2,000	1,371	(629)
Oil well service fee	1,500	-	(1,500)
Resource deployment	30,000	-	(30,000)
Proceeds from sale of capital assets	100,000	15,000	(85,000)
Other	500	445	(55)
TOTAL REVENUES	2,599,163	2,553,143	(46,020)
EXPENDITURES:			
Operating Expenditures			
Payroll and payroll related expenses	1,381,335	1,389,965	(8,630)
Fire administration	145,800	136,797	9,003
Fire repair service	128,400	101,063	27,337
Firefighting	139,700	122,324	17,376
Fire station maintenance	96,595	89,195	7,400
Fire communication	48,831	36,906	11,925
Pension contribution	42,441	29,841	12,600
County Treasurer fee	47,555	47,517	38
Total Operating Expenditures	2,030,657	1,953,608	77,049
Capital Outlay	560,000	395,457	164,543
TOTAL EXPENDITURES	2,590,657	2,349,065	241,592
NET CHANGE IN FUND BALANCE	8,506	204,078	195,572
FUND BALANCE - BEGINNING OF YEAR	2,141,002	2,135,159	(5,843)
FUND BALANCE - END OF YEAR	\$ 2,149,508	\$ 2,339,237	\$ 189,729

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

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Rattlesnake Fire Protection District, a quasi-municipal corporation, is governed, pursuant to provisions of the Colorado Special District Act, by a five-member Board of Directors. The Board of Directors are elected by voters within the District boundaries or appointed. The District's service area is located in northwest Elbert County, Colorado. The District was established to provide fire protection and emergency medical services.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Property and other taxes and other revenue not included as program revenue are reported as general revenues.

MEASUREMENT FOCUS AND FINANCIAL ACCOUNTING FRAMEWORK

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when earned and may be subject to requirements imposed by the provider.

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

RATTLESNAKE FIRE PROTECTION DISTRICT
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accounting. However, debt service expenditures, claims, and judgments are recorded only when payment is made.

Property taxes, specific ownership taxes, interest, and emergency medical services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period.

The District reports the following major governmental fund:

General Fund – the general fund is the primary operating fund of the District. It accounts for all financial resources of the District.

Fund Balance/Net Position

Fund Balance

Fund balance for governmental funds are reported in the categories listed below to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – the amount of fund balance that is not in spendable form or is legally or contractually required to be maintained intact

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, or higher levels of government), through constitutional provisions, or by enabling legislation

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint

Assigned fund balance – amounts the District intends to use for a special purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the District's Board of Directors delegates the authority.

Unassigned fund balance – amounts that are available for any purpose.

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

As of December 31, 2025, the District's General Fund's fund balance consisted of the following:

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Non-Spendable	
Prepaid expenditures	\$ 58,856
Restricted	
TABOR Emergency Reserve	67,213
Capital equipment, apparatus and improvements	1,002,263
Unassigned	1,210,905
Total Fund Balance	<u><u>\$ 2,339,237</u></u>

Net Position

Net Position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions may be imposed by federal or state organizations. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When expenditure is incurred for purposes for which both restricted and unrestricted net positions are available, the District will use the most restrictive net position first.

Cash and Cash Equivalents-Investments

Cash and cash equivalents consist of cash on hand and amounts deposited in the bank and pooled state regulated investment accounts. Investments are stated at market value.

Capital Assets

Capital assets which include land, buildings and improvements, apparatus and related equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The District's Board of Directors has the option to capitalize certain items less than \$5,000 in certain circumstances. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated and capital assets received through grants are recorded at estimated fair market value at date of donation.

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

Buildings	5 – 35	years
Improvements	20	years
Apparatus	10 – 15	years
Equipment	2 – 20	years

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Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27 (GASB 68) and GASB Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB 68 (GASB 71).

In addition to liabilities, the statement of net position and fund balance sheets 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. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 71.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of American ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees and volunteers, or acts of God. The District maintains commercial insurance for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability, and public official bond. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Formal budgetary integration is employed as a management control device during the year in the general fund. The Board of Directors adopted the District's budget in accordance with the Colorado Revised Statutes. Appropriations for the general fund lapse at the year-end.

The budgets for governmental fund types are adopted on a GAAP basis. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level. Total fund expenditure amounts determine the level at which expenditures may not legally exceed appropriations. Colorado Revised Statutes require the District to adopt a balanced budget. A balanced budget is when expenditures do not exceed the beginning cash balance plus revenues for the budget

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year. The District's Board of Directors can amend the budget and adopt supplemental budgets in accordance with the Colorado Revised Statutes.

PROPERTY TAXES

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property as of January 1. Property taxes are due as of January 1 of the following year and are payable in two equal installments due February 28 and June 15 if paid in installments, or April 30, with a single payment. Property taxes are delinquent as of August 1. If property taxes are not paid within subsequent statutory periods, the property will be sold at public auction. No provision has been made for uncollected property taxes, as all property taxes are deemed collectible. The Elbert County Treasurer bills and collects the property taxes and remits collections to the District on a monthly basis.

Property taxes are recorded initially as deferred inflows of resources in the year the property taxes are levied and measurable since the property taxes are not normally available nor are the property taxes budgeted as a resource until the subsequent year. The property taxes are recorded as revenue in the subsequent year as the property taxes are received.

NOTE 4 – DETAILED NOTES ON ALL REPORTING UNITS

A. DEPOSITS AND INVESTMENTS

Cash and investments as of December 31, 2025, consisted of the following:

Deposits with financial institutions	\$ 70,652
Investments	<u>2,167,440</u>
Total cash deposits and investments	<u><u>\$ 2,238,092</u></u>

Deposits

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings associations are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2025, the District's cash deposits had a bank balance of \$75,151 and a carrying balance of \$70,652.

Custodial Credit Risk – In the case of deposits, there is the risk that in the event of a bank failure, the District's deposits may not be returned. As of December 31, 2025, the District's deposits were not exposed to custodial credit risk as all deposits were insured by the Federal Deposit Insurance Commission or collateralized in accordance with PDPA.

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Investments

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
COLOTRUST PLUS+	Weighted average under 60 days	\$ 360,223
COLOTRUST EDGE	Weighted average over 60 days	1,807,217
		<u>\$ 2,167,440</u>

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the District’s investment policy states that the weighted average maturity of the portfolio shall be no longer than 5 years.

Credit Risk – The District’s investment policy is to apply the prudent person rule where investments are made, as a prudent person would be expected to act. The District’s investment policy limits investments in fixed income securities to U.S. Treasury Bills, Notes and Bonds, Certificate of Deposits, Commercial Paper, Money Market Funds and Colorado Public Investment Pools. The investment policy limits investment in commercial paper to be rated AI/PI by at least one nationally recognized rating agency at the time of purchase. Money market funds are to be registered as an investment company.

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

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

COLOTRUST – As of December 31, 2025, the District had invested in the Colorado Local Government Liquid Trust (“Trust”), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+ may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. COLOTRUST EDGE invests in high-quality long-duration securities. COLOTRUST PRIME and COLOTRUST PLUS+ portfolios are rated AAAM by Standard & Poor’s. COLOTRUST EDGE portfolio is rated AAAs/S1 by Fitch Ratings.

Investment Valuation – Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are

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quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has investments not categorized with the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (“NAV”) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at year end for which the investment valuation was determined as follows.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with GASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share for the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios and a NAV of \$10.00 per share for the COLOTRUST EDGE portfolio, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 or \$10.00 per share.

B. CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Capital assets - not subject to depreciation				
Land	\$ 43,448	\$ -	\$ -	\$ 43,448
Construction in progress	5,740	3,600	-	9,340
Total capital assets not being depreciated	49,188	3,600	-	52,788
Capital assets, subject to depreciation				
Buildings and improvements	2,102,816	-	-	2,102,816
Improvements other than buildings	595,408	-	-	595,408
Apparatus	3,257,939	351,636	(31,163)	3,578,412
Machinery and equipment	1,113,730	40,221	-	1,153,951
Total capital assets being depreciated	7,069,893	391,857	(31,163)	7,430,587
Less accumulated depreciation				
Buildings and improvements	(877,022)	(62,769)	-	(939,791)
Improvements other than buildings	(595,408)	-	-	(595,408)
Apparatus	(2,890,187)	(49,851)	20,594	(2,919,444)
Machinery and equipment	(640,867)	(72,634)	-	(713,501)
	(5,003,484)	(185,254)	20,594	(5,168,144)
Total capital assets being depreciated, net	2,066,409	206,603	(10,569)	2,262,443
Total capital assets	<u>\$ 2,115,597</u>	<u>\$ 210,203</u>	<u>\$ (10,569)</u>	<u>\$ 2,315,231</u>

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

NOTE 5 – OTHER INFORMATION

A. Pension Plans

Volunteer Firefighters’ Pension

Description of the Plan and Benefits Provided

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan (“Plan”) that is affiliated with the Colorado Fire and Police Pension Association (“FPPA”). Assets of the plan are commingled for investment purposes in the Fire and Police Member’s Benefit Plan, an agent multiple-employer defined benefit pension plan administered by FPPA. The Plan provides retirement benefits for members and beneficiaries according to the Plan provisions as enacted and is governed by the District’s Pension Plan Board of Trustees. Colorado Revised Statutes, as amended, establishes basic benefit provisions under the Plan. FPPA issues publicly available annual financial reports that include assets of the volunteer plan. That report may be obtained by calling the FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area. The District’s Pension Plan Board of Trustees is composed of the five Directors of the District and two District volunteer firefighters. Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing, are eligible to participate in the Plan for that year.

The District makes contributions based upon District established benefits and funding requirements which are based upon an actuarial study. Plan participants do not make contributions. The State of Colorado may also contribute to the plan in an amount set by statute.

The Plan provides retirement benefits for Plan participants and beneficiaries according to the Plan provisions as enacted and governed by the District’s Plan Board of Trustees as follows:

Normal Retirement Benefit at Age 50 with 20 years of service (monthly)	\$ 375
Disability Retirement Benefit (monthly)	
Short Term Disability for line of duty injury	\$ 150
Long Term Disability for line of duty injury	\$ 300
Survivor Benefits (monthly)	
Death in the line of duty, before retirement eligible	\$ 187
Death after normal retirement	\$ 187
Death after disability retirement	\$ 75
Funeral Benefit, lump sum, one-time only	\$ 100

Plan participants rights to a benefit vest after ten years of service. Plan Participants, who retire with 10 years of credited services, are entitled to a partial benefit. Surviving spouses are entitled to 50% benefits. The above benefit provisions were also used to determine the total pension liability, discussed subsequently.

Plan participants covered by the Plan

Retirees and Beneficiaries	33
Inactive, Nonretired Members	6
Active Members	16
Total Participants	<u>55</u>

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

Net Pension Liability (Asset) and Change in the Net Pension Liability (Asset)

As defined within GASB Statement No. 68, *Employer Reporting for Pension Plan*, (“GASB 68”) the Net Pension Liability/(Asset) (“NPL”) (“NPA”) is the difference between the Total Pension Liability (“TPL”) and the Plan’s Net Position Available for Benefits. This is analogous to the Plan’s accrued liability less than the market value of the Plan’s assets. The TPL is based upon an actuarial valuation performed as of January 1, 2025 and the measurement date of December 31, 2024. As permitted under GASB 68, the measurement date is within one year of the District’s fiscal year-end of December 31, 2025, and may be used to fulfill the December 31, 2025 reporting requirements. As of December 31, 2025, the District reported a net pension liability of \$62,391.

The change in the Plan’s NPL/NPA consists of the following:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 12/31/2024	\$ 1,437,383	\$ 1,246,199	\$ 191,184
Changes for the year:			
Service cost	15,888	-	15,888
Interest on the total pension liability	97,927	-	97,927
Difference between expected and actual experience	(97,174)	-	(97,174)
Changes in assumptions or other inputs	-	-	-
Benefit payments	(94,050)	(94,050)	-
District contributions	-	29,841	(29,841)
State of Colorado contributions	-	12,600	(12,600)
Pension plan net investment income	-	117,576	(117,576)
Administrative expense	-	(14,583)	14,583
Net Changes	(77,409)	51,384	(128,793)
Balances at 12/31/2025	\$ 1,359,974	\$ 1,297,583	\$ 62,391

As of December 31, 2025, the measurement date, the NPL/(NPA) consisted of the following:

Total Pension Liability	\$ 1,359,974
Plan Net Position Available for Benefits	(1,297,583)
Net Pension Liability/(Asset)	\$ 62,391

Percentage of Plan Net Position Available for Benefits to Total Pension Liability/(Asset)	95.41%
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Sensitivity of the District’s NPL/(NPA) to Changes in the Discount Rate.

The following presents the NPL/(NPA) calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

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

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.00%	7.00%	8.00%
District's NPL/(NPA)	<u>\$ 211,365</u>	<u>\$ 62,391</u>	<u>\$ (62,105)</u>

Basis for Determining the District and Actuarial Calculated Contributions

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

The methods and assumptions used to determine the contribution rates are as follows:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open *
Remaining amortization period	20 years *
Asset valuation method	5 - year smoothed fair value
Investment rate of return	7.0%
Projected salary increases	N/A
Inflation	2.5%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Post-retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 Ultimate projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

* -Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

For the actuarial valuation calculated on January 1, 2023 for the contribution amounts for 2024 and 2025, the global assumption set for plans administered by FPPA was changed in the 2022 Experience Study and effective as of January 1, 2023. This is the first valuation for this plan with the new assumptions. The mortality assumptions were updated to use the Pub-2010 Public Safety Mortality tables projected with the ultimate rates of the MP-2020 projection scale.

Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected 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

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

of return by the target asset allocation percentage and then adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Liquidity	4%	4.2%
Fixed Income - Rates	7%	5.0%
Fixed Income - Credit	7%	6.5%
Diversifiers	9%	5.7%
Long Short	6%	6.2%
Global Public Equity	33%	7.0%
Private Markets	34%	8.0%
Total	100%	

Pension Expense (Income) and Deferred Outflows and Inflows of Resources Related to Pensions

The deferred outflows and inflows of resources, as applicable, related to the Plan are amounts used under GASB 68 in developing the annual pension expense. The deferred outflows and inflows of resources arise from differences between expected and actual experiences and changes, as applicable, of assumptions. The portions of these amounts which are not included in the current pension expense are reflected on the statement of net position as deferred outflows and inflows of resources.

For the year ended December 31, 2025, the District recognized a net pension expense of \$1,361.

As of December 31, 2025, the District reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 424	\$ (60,808)
Changes of assumptions	441	-
Net difference between projected and actual earnings on pension plan investments	17,503	-
Contributions subsequent to the measurement date	29,841	-
Total	\$ 48,209	\$ (60,808)

The \$29,841 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the NPL in the year ending December 31, 2026.

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

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

Year Ending December 31

2026	\$ (26,403)
2027	3,390
2028	(12,903)
2028	(6,524)
	<u>\$ (42,440)</u>

Fire and Police Statewide Retirement Plan

Effective January 1, 2023, the assets and liabilities of the Statewide Retirement Plan and Statewide Hybrid Plan were combined to form the Statewide Retirement Plan.

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The SRP consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension income/expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SRP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The Defined Benefit Component and the Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the SRP may include fire department clerical and other personnel whose services are auxiliary to fire protection. As of January 1, 2020, the Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under SRP.

The SRP assets are in the Fire & Police Members’ Benefit Investment Fund Long-Term Pool and the Fire & Police Members’ Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Benefits provided. FPPA provides retirement 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. The

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FPPA Board of Directors may change the retirement age on an annual basis, depending on results of the actuarial valuation and other circumstances.

The following types of retirement are available under the SRP:

- Normal: 25 years of credited service and age 55 with a 2% benefit for each year of credited service up to ten years, plus a 2.5% benefit for each year of credited service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05). A member may also qualify for a normal retirement pension if the member's combined years of credited service and age equals at least 80, with a minimum age of 50 (Rule of 80).
- Early: 30 years of service or age 50 with at least five years of credited service with a 2% benefit for each year of credited service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05). The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis.

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

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

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

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

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

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

RATTLESNAKE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

Contributions. Eligible employees and the District are required to contribute to the SRP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by statute or by election of the membership.

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

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

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.0 percent.

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

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

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

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

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

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

Total contributions to the SRP from the District were \$82,034 for the year ended December 31, 2024.

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

As of December 31, 2025, the District reported net pension liability of \$0 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The District's proportion of the net pension liability was based on District contributions to the SRP for the calendar year 2024 relative to the total contributions of participating employers to the SRP.

As of December 31, 2024, the District's proportion was 0.0752346408 percent, which was a decrease of 0.0063622059 percent from its proportionate share as of December 31, 2023.

For the year ended December 31, 2025, the District recognized a net pension expense of \$123,763. As of December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 180,788	\$ (5,655)
Changes of assumptions or other inputs	64,702	-
Net difference between projected and actual earnings on pension plan investments	25,683	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	(67,162)
Contributions subsequent to the measurement date	98,525	-
Total	<u>\$ 369,698</u>	<u>\$ (72,817)</u>

The \$98,525 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2026.

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

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

<u>Year Ending December 31</u>	
2026	\$ 59,226
2027	95,882
2028	(5,945)
2029	(2,915)
2030	11,355
Thereafter	40,753
	<u>\$ 198,356</u>

Actuarial assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Not Applicable
Amortization Period	Not Applicable
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.75%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

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

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33%	7.0%
Equity Long/Short	6%	6.2%
Private Markets	34%	8.8%
Fixed Income - Rates	7%	5.0%
Fixed Income - Credit	7%	6.5%
Absolute Return	9%	5.7%
Cash	4%	4.2%
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which established the contractually required rates under Colorado Statutes. Based on those assumptions, the SRP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The COLA assumption reflects the true nature of the Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the COLA assumption will fluctuate from year to year depending on plan experience as is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption greater than 0.0%, then a COLA assumption of 0.0% will be used and a Net Pension Liability will be reported.

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

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

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

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

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability/(asset)	\$ 367,138	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments to manage adverse experience of \$108,156 at a 7.00% discount rate and \$501,743 at a 8.00% discount rate.

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

B. Statewide Death and Disability Plan

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1098 pursuant to Colorado Revised Statutes. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.8% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.8% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is making the full 3.8% contribution on behalf of the members. For the year ending December 31, 2025, the District's contributions to the SWD&DP on behalf of the employees was \$35,650 equal to the required contributions for each year.

C. Deferred Compensation Plan

All paid firefighters are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457 (Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by FPPA, allows all paid firefighters the opportunity to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefits of the participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits.

Deferred Compensation Plan investment purchases are determined by the individual participants and therefore, the Deferred Compensation Plan's investment concentration varies between participants.

RATTLESNAKE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

The District has no liability for losses under the Deferred Compensation Plan. Accordingly, the Deferred Compensation Plan is not part of the District's financial statements.

D. Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution in 1992, Article X, Section 20, ("TABOR") which has several limitations, including revenue raising, spending abilities, and other specific requirements for state and local governments. TABOR excludes from its provision Enterprise Activities. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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

In 2013, the electors of the District authorized the District to collect and spend all revenue received in 2013 and subsequent years, notwithstanding the limitations of TABOR, without increasing its mill levy above current levels without further voter approval.

TABOR requires that Emergency Reserves be established. These Emergency Reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service) from 1995 and thereafter. The District's Emergency Reserves as of December 31, 2025, totaling \$67,213 have been presented as a restriction in the general fund and net position. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases.

The District's Board of Directors believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

In 2018, the electors of the District authorized the District to adjust the District's mill levy up or down, in response to legislative changes to the residential property tax assessment percentage. The District levied 10.462 mills for property taxes to be collected in 2025.

E. Impact Fee

In 2016, the State of Colorado passed House Bill 16-1088, *Fire Protection District Impact Fee* on new development. The legislation authorizes Fire Districts to impose an impact fee on the construction of new buildings, structures, facilities, or improvements, including oil and gas wells, on previously improved or unimproved real property for reasonable related added cost of fire protection services from the Fire Districts. Additionally, the County where the Fire District resides must be involved with the assessment and collection of the agreed impact fees.

In 2017 the District contracted for an Impact Fee Study and per the recommendations of that study, the District approved impact fees of \$2,897 per residential dwelling unit and \$1.35 per square foot for commercial developments effective January 1, 2018. In 2024 the District contracted for an updated Impact Fee Study and per the recommendations of that study, the District approved increasing the impact fees to \$5,475 per residential dwelling unit and \$2.32 per square foot for commercial

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

developments effective October 1, 2024. For the year ending December 31, 2025 the District collected \$241,775. As of December 31, 2025 the District has accumulated \$1,002,263 of impact fees, including earned interest thereon, which are restricted for capital equipment, apparatus and improvements.

F. Oil and Gas Lease

In 2017, the District entered into an oil and gas lease with Lotus Land & Minerals, LLC to lease the mineral rights under certain properties owned by the District. The primary term of the lease is for four years with an option for an additional two years. In October 2021, the option was exercised and \$19,004 was received as consideration. In 2025, the District started to receive payments for oil and gas production per the terms of the lease. A total of \$8,063 has been received as of December 31, 2025, with \$1,371 received in 2025.

G. Intergovernmental Agreement

In 2013, the District entered into an Intergovernmental Agreement ("IGA") for the construction and operation of a Joint Facility with Elizabeth Fire Protection District. The Joint Facility enables both Districts to provide high quality and cost-effective emergency services to its residents along with an improvement in insurance ratings. In 2017, the District moved its fleet operations into the Joint Facility. Subsequently, under mutual agreement any costs incurred over the minimum operating costs of the Joint Facility are the responsibility of the District.

H. Related Parties Transactions

The District may from time-to-time provide services to or purchase goods or services from entities related to Directors, current and past employees or volunteers of the District. These purchases are on the same terms and conditions as those entered into with non-related parties. For the year ending December 31, 2025 the District purchased services from the a related party in the amount of \$15,957.

I. Management's Evaluation of Subsequent Events

The preparation of the District's financial statements and accompanying notes in conformity with generally accepted accounting principles requires management of the District to evaluate transactions and events subsequent to the balance sheet date involving the District. Management has evaluated the subsequent transactions and events of the District through June 22, 2026, which is the date the financial statements and accompanying notes were approved and available for issuance.

This information is an integral part of the accompanying financial statements.

Required Supplementary Information

**RATTLESNAKE FIRE PROTECTION DISTRICT
VOLUNTEER FIREFIGHTERS' PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
DECEMBER 31, 2025**

Last Ten Fiscal Years

Measurement period ended December 31.	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Plan Liability										
Service cost	\$ 28,371	\$ 28,371	\$ 24,293	\$ 24,293	\$ 15,504	\$ 15,504	\$ 16,633	\$ 16,633	\$ 15,888	\$ 15,888
Interest on the total pension liability	78,471	81,920	85,609	87,354	86,035	87,618	91,930	93,229	96,634	97,927
Difference between expected and actual experience of the total pension liability	-	(11,145)	-	(21,192)	-	41,658	-	15,952	-	-
Assumption changes	-	26,158	-	60,140	-	-	-	16,626	-	(97,174)
Benefit payments	(60,202)	(61,538)	(87,154)	(86,083)	(77,566)	(80,316)	(87,281)	(92,822)	(94,050)	(94,050)
Net change in total pension liability	46,640	63,766	22,748	64,512	23,973	64,464	21,282	49,618	18,472	(77,409)
Total pension plan liability - beginning	1,061,908	1,108,548	1,172,314	1,195,062	1,259,574	1,283,547	1,348,011	1,369,293	1,418,911	1,437,383
Total pension plan liability - ending	\$ 1,108,548	\$ 1,172,314	\$ 1,195,062	\$ 1,259,574	\$ 1,283,547	\$ 1,348,011	\$ 1,369,293	\$ 1,418,911	\$ 1,437,383	\$ 1,359,974
Pension Plan Fiduciary Net Position										
District contributions	\$ 30,817	\$ 30,817	\$ 30,817	\$ 30,817	\$ 22,707	\$ 28,953	\$ 28,953	\$ 30,373	\$ 30,373	\$ 29,841
Pension plan net investment income	17,716	52,260	144,949	858	147,719	143,163	179,213	(109,831)	113,550	117,576
Benefit payments	(60,202)	(61,538)	(87,154)	(86,083)	(77,566)	(80,316)	(87,281)	(92,822)	(94,050)	(94,050)
Pension Plan administrative expenses	(2,931)	(1,830)	(13,951)	(13,551)	(12,220)	(10,218)	(12,042)	(13,063)	(15,287)	(14,583)
State of Colorado supplemental discretionary contribution	16,748	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Net change in Pension Plan fiduciary net position	2,148	32,309	87,261	(55,359)	93,240	94,182	121,443	(172,743)	47,186	51,384
Pension plan fiduciary net position - beginning	996,532	998,680	1,030,989	1,118,250	1,062,891	1,156,131	1,250,313	1,371,756	1,199,013	1,246,199
Pension plan fiduciary net position - ending	\$ 998,680	\$ 1,030,989	\$ 1,118,250	\$ 1,062,891	\$ 1,156,131	\$ 1,250,313	\$ 1,371,756	\$ 1,199,013	\$ 1,246,199	\$ 1,297,583
Net Pension Liability/(Asset)	\$ 109,868	\$ 141,325	\$ 76,812	\$ 196,683	\$ 127,416	\$ 97,698	\$ (2,463)	\$ 219,898	\$ 191,184	\$ 62,391
Pension Plan Fiduciary Net Position as a % of Total Pension Plan Liability/(Asset)	90.09%	87.94%	93.57%	84.38%	90.07%	92.75%	100.18%	84.50%	86.70%	95.41%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Plan Liability as % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**RATTLESNAKE FIRE PROTECTION DISTRICT
VOLUNTEER FIREFIGHTERS' PENSION PLAN
SCHEDULE OF DISTRICT CONTRIBUTIONS
DECEMBER 31, 2025**

	Last Ten Fiscal Years									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 47,568	\$ 43,417	\$ 35,307	\$ 35,307	\$ 41,553	\$ 42,973	\$ 42,973	\$ 42,441	\$ 42,441	\$ 32,123
Contributions in relation to the actuarially required contribution:										
District contribution	30,817	30,817	30,817	22,707	28,953	28,953	30,373	30,373	29,841	29,841
State of Colorado contribution	16,748	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Tota contributions	\$ 47,565	\$ 43,417	\$ 43,417	\$ 35,307	\$ 41,553	\$ 41,553	\$ 42,973	\$ 42,973	\$ 42,441	\$ 42,441
Contribution deficiency (excess)	\$ 3	\$ -	\$ (8,110)	\$ -	\$ -	\$ 1,420	\$ -	\$ (532)	\$ -	\$ (10,318)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Methods and assumptions used to determine contribution rates (Year ending December 31, 2024):

Actuarial cost method Entry Age Normal
Amortization method Level Dollar, Open *
Remaining amortization period 20 years *
Asset valuation method 5 - year smoothed fair value
Investment rate of return 7.0%
Projected salary increases N/A
Inflation 2.5%
Retirement age 50% per year of eligibility until 100% at age 65
Mortality: Pre-retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier.
Post-retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.
Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

* -Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

**RATTLENAKE FIRE PROTECTION DISTRICT
VOLUNTEER FIREFIGHTERS' PENSION PLAN
SCHEDULE OF NET PENSION LIABILITY/(ASSET)
DECEMBER 31, 2025**

	Last Ten Fiscal Years									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability	\$ 1,108,548	\$ 1,172,314	\$ 1,195,062	\$ 1,259,574	\$ 1,283,547	\$ 1,348,011	\$ 1,369,293	\$ 1,418,911	\$ 1,437,383	\$ 1,359,974
Plan Fiduciary Net Position	(998,680)	(1,030,989)	(1,118,250)	(1,062,891)	(1,156,131)	(1,250,313)	(1,371,756)	(1,199,013)	(1,246,199)	(1,297,583)
Net Pension Liability/(Asset)	\$ 109,868	\$ 141,325	\$ 76,812	\$ 196,683	\$ 127,416	\$ 97,698	\$ (2,463)	\$ 219,898	\$ 191,184	\$ 62,391
Plan Fiduciary Net Position as a % of Total Pension Liability/(Asset)	90.09%	87.94%	93.57%	84.38%	90.07%	92.75%	100.18%	84.50%	86.70%	95.41%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**RATTLESNAKE FIRE PROTECTION DISTRICT
FIRE AND POLICE ASSOCIATION STATEWIDE RETIREMENT PLAN
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
DECEMBER 31, 2025**

Fiscal year end reporting period ending December 31, Measurement period ending December 31,	Last Ten Fiscal Years									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's Proportion of the Net Pension Liability/(Asset)	0.0199166%	0.3298032%	0.3328392%	0.2979179%	0.2774978%	0.3145975%	0.6965389%	0.0801545%	0.0815968%	0.0752346%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ (351)	\$ 11,917	\$ (47,884)	\$ 37,665	\$ (15,694)	\$ (68,299)	\$ (377,478)	\$ 71,146	\$ -	\$ -
District's Covered Payroll	\$ 96,550	\$ 168,780	\$ 194,686	\$ 199,555	\$ 204,526	\$ 252,684	\$ 560,731	\$ 706,936	\$ 794,148	\$ 821,943
Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	0.4%	-7.1%	24.6%	-18.9%	7.7%	27.0%	67.3%	-10.1%	0.0%	0.0%
Calculation of Collective Net Pension Liability/(Asset):										
Total Pension Liability	\$ 1,846,961,999	\$ 2,021,526,883	\$ 2,269,410,684	\$ 2,653,120,261	\$ 2,919,378,738	\$ 3,230,485,701	\$ 3,352,605,624	\$ 3,752,109,029	\$ 4,212,130,287	\$ 4,716,284,644
Plan Fiduciary Net Position	1,848,724,853	1,985,393,043	2,413,276,447	2,526,692,808	2,975,935,079	3,447,586,098	3,894,539,387	3,663,348,061	4,212,130,287	4,716,284,644
Net Pension Liability/(Asset)	<u>\$ (1,762,854)</u>	<u>\$ 36,133,840</u>	<u>\$ (143,865,763)</u>	<u>\$ 126,427,453</u>	<u>\$ (56,556,341)</u>	<u>\$ (217,100,397)</u>	<u>\$ (541,933,763)</u>	<u>\$ 88,760,968</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%	97.6%	100.0%	100.0%

NOTE: Effective January 1, 2023 (Measurement Period Ending December 31, 2023) the Statewide Defined Benefits Plan and the Statewide Hybrid Plan were combined to form the Statewide Retirement Plan. As a result the information provided for the measurement period December 31, 2023 is for the Statewide Retirement Plan.

**RATTLESNAKE FIRE PROTECTION DISTRICT
FIRE AND POLICE ASSOCIATION STATEWIDE RETIREMENT PLAN
SCHEDULE OF DISTRICT CONTRIBUTIONS
DECEMBER 31, 2025**

	Last Ten Fiscal Years									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 13,503	\$ 15,575	\$ 15,965	\$ 16,362	\$ 20,215	\$ 47,662	\$ 62,762	\$ 76,156	\$ 82,034	\$ 98,525
Contributions in Relation to the Contractually Required Contribution	(13,503)	(15,575)	(15,965)	(16,362)	(20,215)	(47,662)	(62,762)	(76,156)	(82,034)	(98,525)
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 168,780	\$ 194,686	\$ 199,555	\$ 204,526	\$ 252,684	\$ 560,731	\$ 706,936	\$ 794,148	\$ 821,943	\$ 939,976
Contributions as a Percentage of Covered Payroll	8.0%	8.0%	8.0%	8.0%	8.0%	8.5%	8.9%	9.6%	10.0%	10.5%