



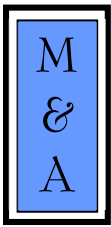
Roaring Fork Fire Rescue Authority

**Financial Statements
December 31, 2025**

**Roaring Fork Fire Rescue Authority
Financial Statements
December 31, 2025**

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MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Roaring Fork Fire Rescue Authority
Carbondale, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Roaring Fork Fire Rescue Authority (the "Authority"), as of and for the year ended December 31, 2025, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Roaring Fork Fire Rescue Authority, as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Roaring Fork Fire Rescue Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITORS REPORT
To the Board of Directors
Roaring Fork Fire Rescue Authority
Carbondale, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority'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 in Section B and the Schedule of Authority's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Authority Contributions in Section E be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

INDEPENDENT AUDITORS REPORT
To the Board of Directors
Roaring Fork Fire Rescue Authority
Carbondale, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roaring Fork Fire Rescue Authority's basic financial statements. The budgetary comparisons in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Comparative Information

We have previously audited the Authority's 2024 financial statements and, in our report dated July 15, 2025, we expressed an unmodified opinion on those financial statements. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which is has been derived.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 20, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2025**

As management of the Roaring Fork Fire Rescue Authority, (the "Authority"), we offer readers of the Authority's financial statements this narrative summary of the financial activities of the Authority for the fiscal year ended December 31, 2025.

The Management's Discussion and Analysis (the MD&A) should be read in conjunction with the Authority's financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's general purpose financial statements. The Authority's general purpose financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

The Authority was formed on December 18, 2017 pursuant to creating by an intergovernmental agreement between Basalt and Rural Fire Protection District ("BRFPD") and Snowmass-Wildcat Fire Protection District ("SWFPD"). The Authority is a separate legal entity whose boundaries cover the combined territory of BRFPD and SWFPD. Operations of BRFPD and SWFPD were combined under the Authority on January 1, 2019. At this time, all BRFPD's and SWFPD's employees became employees of the Authority and all BRFPD's and SWFPD's capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

Financial Statements: The financial statements of the Authority are presented as a special purpose government engaged only in business type activities - providing fire protection services.

The *Statement of Net Position* present information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* present information that reflects how the Authority's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* report the Authority's cash flows from operating, capital and related financing, and investing activities.

The Authority's financial statements can be found on pages C1 through C3 of this report.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in Section D of this report.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2025
(continued)**

Financial Analysis of the Authority

Roaring Fork Fire Rescue Authority's Net Position

	2025	2024
Assets:		
Current assets	12,666,796	12,173,272
Capital assets, net	28,353,674	28,216,931
Total Assets	41,020,470	40,390,203
 Deferred Outflows of Resources:		
Pension related deferred outflows	1,982,174	1,890,673
Total Deferred Outflows of Resources	1,982,174	1,890,673
Current liabilities	495,234	349,933
Long-term liabilities	469,467	406,819
Total Liabilities	964,701	756,752
 Deferred Inflows of Resources:		
Pension related deferred inflows	386,064	91,629
Total Deferred Inflows of Resources	386,064	91,629
 Net Position:		
Net investment in capital assets	28,353,674	28,216,931
Restricted:		
Impact fees	238,592	297,144
Capital projects	1,126,750	1,531,097
Unrestricted	11,932,863	11,387,323
Total Net Position	41,651,879	41,432,495

Approximately 68% of the Authority's net position reflects its investment in capital assets, which includes land, fire stations, vehicles and equipment, less debt outstanding related to capital assets. The Authority uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Authority currently has no debt, as capital assets were either contributed or purchased with available funds.

At the end of 2025, the Authority is able to report positive balances in all categories of net position. Overall, the Authority's net position increased during 2025.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2025
(continued)**

Financial Analysis of the Authority (continued)

Roaring Fork Fire Rescue Authority's Net Position

	2025	2024
Revenues:		
Operating revenues:		
Charges for services	1,961,866	2,677,825
Transfers from BRFPD	5,699,247	5,151,953
Transfers from SWFPD	5,981,402	5,245,051
Wildfire contracts	438,994	363,829
EMS supplemental	72,571	85,665
Non-operating revenues:		
Transfers from SWFPD restricted for capital purposes	642,641	664,762
Interest and investment income	462,789	524,186
Grants and donations	226,540	164,038
Special event income	23,400	23,100
Employee rentals	251,254	191,774
Gain (loss) on sale of capital assets	270,375	36,000
Other non-operating revenues	14,922	14,374
Pension revenue (expense) and changes in deferrals	(202,934)	92,168
Contributed cash:		
Snowmass-Wildcat Fire Protection District	-	30,000
Total Revenues	15,843,067	15,264,725
Expenses:		
Operating Expenses:		
Administration	2,633,217	2,009,749
Fire prevention	940,820	844,929
Operations	9,799,259	9,173,896
Vehicle maintenance and repair	432,834	402,554
Non-operating expenses:		
Depreciation	1,817,553	1,695,461
Total Expenses	15,623,683	14,126,589
Change in Net Position	219,384	1,138,136
Net Position - Beginning of Year	41,432,495	40,294,359
Net Position - End of Year	41,651,879	41,432,495

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2025
(continued)**

Financial Analysis of the Authority (continued)

Operating transfers from BRFPD and SWFPD were the most significant source of revenues, accounting for 74% of the total revenues. Other charges for services accounted for 12% of total revenues.

Non-operating revenues totaled \$1,688,987.

When compared to 2024, overall revenues increased by \$578,342 mainly due a decrease in gain on sale of capital assets and grants and donations.

When compared to 2024, overall expenses increased by \$1,497,094 mainly due to an increase in personnel expenses, which includes wages, payroll taxes and benefits, of \$1,146,142.

Budget Variances

In 2025, revenues exceeded budget expectations by \$275,451. The favorable variance is mainly due to the Authority budgeting conservatively.

Actual expenditures were \$904,412 less than budgeted. The favorable variance is mainly due to less capital expenditures than budgeted as well as less operations expenditures than budgeted.

Capital Asset Administration

At December 31, 2025, the Authority's capital assets, net of accumulated depreciation, totaled \$28,353,674. In 2025, the Authority capitalized \$1,954,296 of new assets, and reported depreciation expense in the amount of \$1,817,553. Additional information on the Authority's capital assets can be found in the Notes to the Financial Statements in section D of this report.

2026 Budget Considerations

In 2026, the Authority approved budgeted revenues of \$15,770,550 and budgeted expenditures of \$13,097,520, which includes capital additions of \$2,212,000.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Authority's Administrative Offices, 1089 JW Drive, Carbondale, Colorado 81623.



BASIC FINANCIAL STATEMENTS

Roaring Fork Fire Rescue Authority
Statement of Net Position
December 31, 2025
(With Comparative Actual Amounts as of December 31, 2024)

	2025	2024
Assets:		
Cash and cash equivalents - Unrestricted	11,362,433	10,395,711
Receivables, net of allowance for uncollectibles:		
Accounts	991,511	1,347,969
Other	145,850	429,592
Prepaid expenses	167,002	-
Capital assets	39,306,879	37,352,583
Accumulated depreciation	(10,953,205)	(9,135,652)
Total Assets	41,020,470	40,390,203
Deferred Outflows of Resources:		
Pension related deferred outflows - statewide retirement plan	1,982,174	1,890,673
Total Deferred Outflows of Resources	1,982,174	1,890,673
Total Assets and Deferred Outflows of Resources	43,002,644	42,280,876
Liabilities:		
Current Liabilities:		
Accounts payable	65,322	44,924
Accrued payroll and taxes	416,249	290,693
Deposits	13,663	14,316
Total Current Liabilities	495,234	349,933
Non-current Liabilities:		
Compensated absences	469,467	406,819
Total Non-current Liabilities	469,467	406,819
Total Liabilities	964,701	756,752
Deferred Inflows of Resources:		
Pension related deferred inflows - statewide retirement plan	386,064	91,629
Total Deferred Inflows of Resources	386,064	91,629
Net Position:		
Net investment in capital assets	28,353,674	28,216,931
Restricted for:		
Impact fees	238,592	297,144
Capital projects	1,126,750	1,531,097
Unrestricted	11,932,863	11,387,323
Total Net Position	41,651,879	41,432,495

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

Roaring Fork Fire Rescue Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended 2024)

	2025	2024
Operating Revenues:		
Charges for services	1,961,866	2,677,825
Transfers from Basalt Rural Fire Protection District	5,699,247	5,151,953
Transfers from Snowmass-Wildcat Fire Protection District	5,981,402	5,245,051
Wildfire contracts	438,994	363,829
EMS supplemental	72,571	85,665
Total Operating Revenues	14,154,080	13,524,323
Operating Expenses:		
Administration	2,633,217	2,009,749
Fire prevention	940,820	844,929
Operations	9,799,259	9,173,896
Vehicle maintenance and repair	432,834	402,554
Total Operating Expenses	13,806,130	12,431,128
Operating Income (Loss)	347,950	1,093,195
Non-operating Revenues (Expenses):		
Transfers from Snowmass-Wildcat Fire Protection District restricted for capital purposes	642,641	664,762
Interest and investment income	462,789	524,186
Grants and contributions	226,540	164,038
Special event income	23,400	23,100
Employee rentals	251,254	191,774
Gain (loss) on sale of capital assets	270,375	36,000
Other non-operating revenues	14,922	14,374
Pension revenue (expense) and changes in deferrals	(202,934)	92,168
Depreciation	(1,817,553)	(1,695,461)
Total Non-operating Revenues (Expenses)	(128,566)	14,941
Income (Loss) Before Capital Contributions	219,384	1,108,136
Capital Contributions:		
Contributed cash:		
Snowmass-Wildcat Fire Protection District	-	30,000
Total Capital Contributions	-	30,000
Change in Net Position	219,384	1,138,136
Net Position - Beginning of Year	41,432,495	40,294,359
Net Position - End of Year	41,651,879	41,432,495

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

Roaring Fork Fire Rescue Authority
Statement of Cash Flows
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended 2024)

	2025	2024
Cash Flows From Operating Activities:		
Cash received from customers and others	3,113,631	2,686,862
Cash received from Basalt Rural Fire Protection District	5,699,247	5,151,953
Cash received from Snowmass-Wildcat Fire Protection District	5,981,402	5,245,051
Cash payments for goods and services	(4,079,373)	(3,677,700)
Cash payments to employees and for benefits	(9,685,157)	(8,532,977)
Net Cash Provided (Used) by Operating Activities	1,029,750	873,189
Cash Flows From Non-capital Financing Activities:		
Cash received from grants and contributions	226,540	164,038
Cash received from employee rentals	250,601	192,996
Cash received from special events	23,400	23,100
Other cash receipts	14,922	14,374
Net Cash Provided (Used) by Non-capital Financing Activities	515,463	394,508
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of capital assets	270,375	36,000
Contributed cash	-	30,000
Transfers restricted for capital purposes	642,641	664,762
Cash paid for capital acquisitions	(1,954,295)	(1,180,107)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,041,279)	(449,345)
Cash Flows From Investing Activities:		
Interest income received	462,788	524,185
Net Cash Provided (Used) by Investing Activities	462,788	524,185
Net Increase (Decrease) in Cash and Cash Equivalents	966,722	1,342,537
Cash and Cash Equivalents - Beginning of Year	10,395,711	9,053,174
Cash and Cash Equivalents - End of Year	11,362,433	10,395,711
Represented by Balance Sheet Captions:		
Cash and cash equivalents - Unrestricted	11,362,433	10,395,711
Cash and Cash Equivalents - End of Year	11,362,433	10,395,711
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	347,950	1,093,195
Adjustments:		
(Increase) decrease in accounts receivable	640,200	(440,457)
(Increase) decrease in prepaid expenses	(167,002)	-
Increase (decrease) in accounts payable	20,398	26,209
Increase (decrease) in accrued payroll	125,556	88,203
Increase (decrease) in compensated absences	62,648	106,039
Total Adjustments	681,800	(220,006)
Net Cash Provided (Used) by Operating Activities	1,029,750	873,189

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



NOTES TO THE FINANCIAL STATEMENTS

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

Roaring Fork Fire Rescue Authority (the “Authority”) was formed December 18, 2017 pursuant to creating by an intergovernmental agreement between Basalt and Rural Fire Protection District and Snowmass-Wildcat Fire Protection District (the “parties”). The Authority is a separate legal entity whose boundaries cover the combined territory of the parties. Operations of both parties were combined under the Authority on January 1, 2019. At this time, all parties’ employees became employees of the Authority and all parties’ capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

The Authority is governed by six appointed directors, who each cast one vote on matters that come before the board. Each party will appoint three directors. The purposes of the Authority are to provide fire rescue services on behalf of the parties, take assignment of all existing assets of the parties unless otherwise specifically exempt by the agreement, and to employ, supervise, and manage all employees and volunteers of the parties.

The Authority’s financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Authority are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government; i.e., the Authority. The Authority is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Authority. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Authority. Organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the Authority is not financially accountable for any other entity nor is the Authority a component unit of any other government.

B. Fund Accounting

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Authority uses a proprietary fund-type, an enterprise fund, to account for its activity, providing fire protection services to residents within the Authority’s boundaries. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

1. Long-term Economic Focus and Accrual Basis

Proprietary funds use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Financial Statement Presentation

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are operating transfers from the parties and charges to customers for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Financial Statement Accounts and Accounting Policies

1. Cash, Cash Equivalents and Investments

For purposes of the Statements of Cash Flows, the Authority considers cash on hand, demand deposits, U.S. government obligations and other highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

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

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. At December 31, 2025, the Authority established an allowance for doubtful accounts in the amount of \$167,548 (2024 – \$167,548) to estimate uncollectible accounts.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

4. Capital Assets

Capital assets, which include land, construction in progress, vehicles, equipment, buildings and improvements, are reported in the financial statements. The Authority defines capital assets as assets with an initial cost of \$5,000 or more. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Each of the participating parties contributed their capital assets to the Authority at no cost to the Authority.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Vehicles, equipment, buildings and improvements, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Vehicles & Equipment	5 - 25
Buildings & Improvements	5 - 50

In the event of the dissolution of the Authority, the assets assigned to the Authority by each party will be returned to the assigning party. Assets acquired by the Authority and other financial assets will be liquidated and conveyed to each party in proportion to the total amounts paid to the Authority by each party during the term of the agreement.

5. Pensions

The Authority participates in the Statewide Retirement Plan ("SRP"), administered by the Fire and Police Pension Association of Colorado ("FPPA"). For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Authority's defined benefit pension plan and additions to/deductions from the fiduciary net position of the plan 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.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

6. Compensated Absences

The Authority permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the statement of net position. The Authority estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences.

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has one item that qualifies for reporting in this category, which is the pension-related deferred outflow of the statewide retirement pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category, which is the pension-related deferred inflow reported in the statement of net position.

8. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets and increased by any unspent proceeds from related borrowings. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

9. Use of Estimates

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

10. Restricted and Unrestricted Resources

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the Authority's Board of Directors formally adopts a budget with appropriations for the ensuing year pursuant to the Colorado Local Budget Law. The budget is adopted on a non-GAAP basis and is reconciled to GAAP in Section E of this report. Expenditures may not legally exceed appropriations and all appropriations lapse at year-end.

As required by Colorado statutes, the Authority followed the required timetable noted below in preparing, approving, and enacting its budget for 2025:

1. The Authority submitted, on or before October 15, 2024, a recommended budget that detailed the necessary revenues to meet the Authority's operating requirements.
2. On or prior to December 31, 2024, after a required publication of "Notice of Budget" and a public hearing, the Authority adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the Authority may make the following changes: a) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) it may approve emergency appropriations; and c) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from state and local governments, are excluded from the provisions of TABOR. The Authority's management believes its operations qualify for this exclusion.

The Authority believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise, will require judicial interpretation.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

The Authority's deposits are entirely covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures depositors up to \$250,000 for all accounts. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amounts of the Authority's cash and cash equivalents were \$11,362,433 as of December 31, 2025.

Interest Rate Risk. The Authority coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than two years from the purchase date. As a result of limited length of maturities the Authority has limited its interest rate risk.

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

The investment policy permits investments in the following types of obligations:

- U.S. Treasury Obligations – U.S. Treasury bills and notes. Federally insured mortgages and student loans.
- Shares of a local government surplus funds trust (Colorado Trust, Government Asset Pool) established under the provisions of 24-74-701, CRS, as amended.
- Money market funds authorized under CRS, 24-75-601.1(l)(k) and rated in the highest category by a nationally recognized rating agency.

Concentration of Credit Risk. According to the Authority's investment policy, the maximum amount deposited in any one local government surplus fund shall not exceed \$6,000,000.

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

	Standard & Poors Rating	Carrying Amounts	December 31, 2025	
			Less than one year	One to five years
<i>Deposits:</i>				
Checking	Not rated	6,799,089	6,799,089	-
Money market	Not rated	1,866,442	1,866,442	-
<i>Investments:</i>				
Government investment pools	AAAm	2,696,902	2,696,902	-
Total		11,362,433	11,362,433	-

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The investment pool represents investments in the Colorado Government Liquid Asset Trust (“COLOTRUST”) which is a 2a7-like pool. The Authority has no regulatory oversight for the pool. At December 31, 2025 the Authority had \$2,696,902 in Colotrust. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust operates similarly to a money market fund, measured at net asset value, and each share is equal to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owed are held by the Federal Reserve Bank in an account maintained for the custodial bank.

Fair Value of Investments - The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Unrealized gains / losses were \$0, which reflects the change in fair market value of investments. At December 31, 2025, the Authority had the following recurring measurements:

Investments Measured at Net Asset Value	Total
Colotrust	2,696,902

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	364,985	-	-	364,985
Construction in progress	230,976	342,462	(230,976)	342,462
Total capital assets, not being depreciated	<u>595,961</u>	<u>342,462</u>	<u>(230,976)</u>	<u>707,447</u>
Capital assets, being depreciated:				
Buildings & Improvements	28,311,858	66,921	-	28,378,779
Vehicles & Equipment	8,444,764	1,775,889	-	10,220,653
Total capital assets being depreciated	<u>36,756,622</u>	<u>1,842,810</u>	<u>-</u>	<u>38,599,432</u>
Less accumulated depreciation for:				
Buildings & Improvements	(4,523,815)	(823,310)	-	(5,347,125)
Vehicles & Equipment	(4,611,837)	(994,243)	-	(5,606,080)
Total accumulated depreciation	<u>(9,135,652)</u>	<u>(1,817,553)</u>	<u>-</u>	<u>(10,953,205)</u>
Total capital assets, being depreciated, net	<u>27,620,970</u>	<u>25,257</u>	<u>-</u>	<u>27,646,227</u>
Total capital assets, net	<u><u>28,216,931</u></u>	<u><u>367,719</u></u>	<u><u>(230,976)</u></u>	<u><u>28,353,674</u></u>

Fully depreciated assets totaled \$1,956,031 for the year ended December 31, 2025.

C. Long-Term Liabilities

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

	<u>1/1/25 Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/25 Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences*	406,819	62,648	-	469,467	-
Total	<u>406,819</u>	<u>62,648</u>	<u>-</u>	<u>469,467</u>	<u>-</u>

*The change in compensated absences liability is presented as a net change.

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Retirement Plan

Plan Description. The Statewide Retirement Plan (“SRP”) is a cost-sharing multiple-employer defined benefit pension plan. The SRP consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The SRP currently has 229 participating employer fire and police departments.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

Plan Description (continued). The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the SRP, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The 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. The SRP is administered by the FPPA. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website.

Benefits. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

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.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

Benefits (continued). 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 then 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 members receives annually, calculated as if the social security benefit started as of age 62.

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

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

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

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

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

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

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

The Hybrid Defined Benefit Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member 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 combined member and employer contribution rate was 17.00 percent.

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

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

Net Pension Liability. At December 31, 2025, the Authority reported \$0 for its proportionate share of the net pension liability. The net pension liability 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 Authority's proportionate share of the net pension liability was based on Authority's contributions to the Plan for the calendar year relative to the total contributions of participating employers to the SRP.

At December 31, 2025, the Authority's proportionate share was 0.394833%, as compared to 0.311721% at December 31, 2024.

For the year ended December 31, 2025, the Authority recognized pension income of \$202,934. At December 31, 2025, the Authority 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	948,778	29,677
Changes of assumptions or other inputs		-
Net difference between projected and actual earnings on pension plan investments	339,559 134,783	-
Difference between actual and reported contributions recognized	-	61
Changes in proportionate share of contributions	91,504	356,326
Contributions subsequent to the measurement date	467,550	-
Total	1,982,174	386,064

Contributions subsequent to the measurement date of December 31, 2024, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction/(increase) of the net pension liability/(asset) in the year ended December 31, 2026.

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

Year ending December 31:	
2026	353,672
2027	543,629
2028	12,000
2029	26,890
2030	88,842
Thereafter	103,527
	1,128,560

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

Actuarial Assumptions. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarially Determined Contributions</u>
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate*	7.0%	7.0%
Projected Salary Increases	4.25% to 11.75%	4.25% to 11.75%
Cost of Living Adjustments	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

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

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Illiquid Alternatives	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
Total	100%	

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

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the SRP'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 SRP'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 SRP's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the SRP'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:

	1% Decrease (6.0%)	Assumption (7.0%)	1% Increase (8.0%)
Proportionate share of net pension liability/(asset)	1,926,749	-	-

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information

A. Retirement Plans

2. FPPA Statewide Death and Disability Plan

Plan Description. The Statewide Death and Disability Plan (“SWDD”) is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado, administered by FPPA. As of August 5, 2003, the Plan may include part-time police and fire employees. Contributions to the SWDD are used for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Defined Benefit System and the SWDD. The SWDD was established in 1980 pursuant to the Colorado Revised Statutes.

The Plan assets are included in the Fire & Police Members’ Benefit Investment Fund Long-Term Pool. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7%.

SWDD benefits provide 24-hour coverage, both on- and off-duty for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member’s disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy. Prior to 1997, the SWDD was primarily funded by the State of Colorado (the “State”), whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. During 2022, C.R.S. 31-31-811 was amended to provide additional payments from the State to the Plan on July 1, 2022 and July 1, 2023 of \$6,650,000 each.

Members hired on or after January 1, 1997, began contributing 2.4% of base salary to the SWDD as of January 1, 1997. Effective January 1, 2022, the contribution rate increased to 3.2% of base salary and may be increased 0.2% annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the Authority or member, or it may be split between the Authority and the member as determined at the local level. The Authority paid \$181,905 on-behalf of members to the SWDD in 2025.

FPPA issues a publicly available annual comprehensive financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information (continued)

A. Retirement Plans (continued)

3. FPPA Section 457 Deferred Compensation Plan

The Authority adopted an IRC Section 457 deferred compensation plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). Participants may defer up to the lesser of \$19,500 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute more than the \$19,500 limit due to a catch-up provision in the plan. The Authority is neither the trustee nor the administrator and has no liability under the plan. The Authority contributed \$167,842 in 2025.

4. Defined Contribution Money Purchase Retirement Plan

The Authority adopted the Roaring Fork Fire Rescue Authority Defined Contribution Money Purchase Retirement Plan and Trust (the "Trust") On January 1, 2019. This Trust is administered by ICMA. All non-responder personnel of the Authority are eligible to participate in the plan. The contribution rate for members is 8% of covered salaries, and for the Authority is 15% of covered salaries. For members that are grandfathered into FPPA plans, the Authority contribution rate ranges from 3% to 7%. The plan vests 20% after each year of service completed. Members are fully vested after 5 years of service are completed. The Authority contributed \$235,972 in 2025.

5. Fidelity Section 457 Deferred Compensation Plan

The Authority offers its non-responder personnel an additional voluntary deferred compensation plan created in accordance with IRC section 457 (the "457 Plan"). The plan is administered by Fidelity. All compensation deferred under the 457 Plan, together with 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 exclusive benefit of the participants and their designated beneficiaries. Compensation deferred under the 457 Plan is not available to participants until termination, retirement, death, or unforeseeable emergency.

Employees 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. The Authority does not contribute to this 457 plan.

6. Length of Service Award Program Volunteer Plan

In 2019, the Authority adopted a Length of Service Award Plan ("LOSAP") in accordance with exclusions listed under IRC section 457. All benefits earned under LOSAP, together with 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 exclusive benefit of the participants and their designated beneficiaries. The plan was established for the purpose of providing service awards to qualified volunteer firefighters and volunteer emergency medical technicians who do not participate in the FPPA Volunteer Pension Plan, as defined. Annually, the Authority determines eligible participants and amount of the service awards, although no award shall exceed \$3,000 for any given year of service. The Authority made contributions totaling \$0 to the plan for the year ended December 31, 2025, in accordance with established provisions.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information (continued)

A. Retirement Plans (continued)

6. Length of Service Award Program Volunteer Plan (continued)

The individual participants determine investment decisions within the LOSAP Plan and, therefore, the LOSAP Plan's investment concentration varies between participants. The Authority, as Trustee of the LOSAP Plan, has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the LOSAP Plan. Consequently, the LOSAP Plan is not part of the Authority's financial statements.

B. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

The Authority participates in the Public Sector Health Care Group., currently with 13 local government members, for employee health and accident coverage. The plan self-insures up to \$65,000 per employee and carries commercial coverage for claims in excess of \$65,000.

C. Intergovernmental Agreements

1. Regional Emergency Dispatch Center

On January 1, 2019 the Authority entered into an intergovernmental agreement (IGA) with Pitkin County, the City of Aspen, Town of Snowmass Village, and the Town of Basalt, and the Special Districts of Aspen Fire Protection District, Aspen Ambulance District, and Carbondale and Rural Fire Protection District (the "Participating Members") for the operation, administration, and financial support of the Pitkin County Regional Emergency Dispatch Center (the "Center").

The Center is governed by a Communications Board comprised of individual Participating Members. The purpose of the Board is to provide representatives of the Participating Members with a means to offer advice, suggestions and recommendations to the Director and the County with respect to the operation and management of the Center to ensure the efficient operation of the Center. The Center will remain a department of Pitkin County.

The initial term of this IGA commenced on January 1, 2019, and expired on December 31, 2023, with automatic five-year renewals. Annual operating costs of the Center including salaries, utilities, maintenance, insurance premiums and deductibles and any other expenses related to the operation and administration of the Center will be allocated to each Participating Member as set forth in the IGA.

During the year ended December 31, 2025, the Authority paid \$108,104 related to this agreement.



REQUIRED SUPPLEMENTARY INFORMATION

Roaring Fork Fire Rescue Authority
Schedule of Authority's Proportionate Share of Net Pension Asset / Liability
Fire and Police Association of Colorado
Last 10 Fiscal Years*

	Defined Benefit Plan:									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's portion of the net pension liability/(asset)	0.394833%	0.311721%	0.297827%	0.294923%	0.284682%	0.317706%	0.337447%	0.335945%	0.328790%	0.306189%
Authority's proportionate share of the net pension liability/(asset)	\$ -	\$ -	\$ 264,355	\$ (1,598,289)	\$ (618,044)	\$ (170,591)	\$ 426,627	\$ (483,307)	\$ 118,805	\$ (5,396)
Authority's covered payroll	\$ 4,555,237	\$ 4,119,570	\$ 2,488,348	\$ 224,660	\$ 2,286,588	\$ 2,029,575	\$ 1,997,386	\$ 1,891,995	\$ 1,632,070	\$ 1,385,792
Authority's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	0.0%	0.0%	10.6%	-71.8%	-27.0%	-8.4%	21.4%	-25.5%	7.3%	-0.4%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	100.0%	100.0%	116.2%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%
	Hybrid Plan:									
Authority's portion of the net pension liability/(asset)	1.163257%	1.196242%	1.174652%	1.201195%	1.103290%	1.237387%	1.246679%	1.685480%		
Authority's proportionate share of the net pension liability/(asset)	\$ (16,966)	\$ (453,612)	\$ (323,090)	\$ (453,612)	\$ (152,292)	\$ (241,943)	\$ (135,704)	\$ (177,530)		
Authority's covered payroll	\$ 214,137	\$ 202,530	\$ 199,510	\$ 191,687	\$ 176,647	\$ 189,204	\$ 161,220	\$ 221,963		
Authority's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-7.9%	-224.0%	-161.9%	-236.6%	-86.2%	-127.9%	-84.2%	-80.0%		
Plan fiduciary net position as a percentage of the total pension asset/(liability)	149.0%	149.0%	138.0%	130.1%	123.5%	138.9%	125.8%	129.4%		

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior.

**Effective January 1, 2024, the Hybrid Plan and Defined Benefit Plan combined in the Statewide Retirement Plan.

Roaring Fork Fire Rescue Authority
Notes to the Required Supplementary Information
December 31, 2025

I. Schedule of Authority's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Retirement Plan*

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2024 Actuarial Valuation are as Follows:

- No changes.

2. Changes Since the January 1, 2023 Actuarial Valuation are as Follows:

- No changes.

3. Changes Since the January 1, 2022 Actuarial Valuation are as Follows:

- No changes.

4. Changes Since the January 1, 2021 Actuarial Valuation are as Follows:

- The global assumption set for plans administered by FPPA was changed in the 2022 Experience Study and effective as of January 1, 2023. Significant changes affecting this valuation include:
 - Update base mortality tables and projection scales.

5. Changes Since the January 1, 2020 Actuarial Valuation are as Follows:

- No changes.

6. Changes Since the January 1, 2019 Actuarial Valuation are as Follows:

- No changes.

7. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

8. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

- No changes.

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

Roaring Fork Fire Rescue Authority
Notes to the Required Supplementary Information
December 31, 2025

I. Schedule of Authority's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Retirement Plan (continued)*

A. Changes to assumptions or other inputs (continued)

9. Changes Since the January 1, 2016 Actuarial Valuation are as Follows:

- No changes.

10. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

A. Changes of benefit terms

No changes during the years presented.

B. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

I. Notes to the Schedule of Authority Contributions – Statewide Retirement Plan *

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms.

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

* Effective January 1, 2024, the Statewide Defined Benefit Plan and Statewide Hybrid Plan combined to form the Statewide Retirement Plan.



SUPPLEMENTARY INFORMATION

Roaring Fork Fire Rescue Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended 2024)

	2025			Final Budget Variance Positive (Negative)	2024
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services	1,640,000	1,640,000	1,961,866	321,866	2,677,825
Interest and investment income	75,000	375,000	462,789	87,789	524,186
Grants and contributions	10,000	223,550	226,540	2,990	164,038
Special event income	25,000	25,000	23,400	(1,600)	23,100
Employee rentals	160,000	225,000	251,254	26,254	191,774
Wildfire income	100,000	675,000	438,994	(236,006)	363,829
EMS supplemental	85,000	85,000	72,571	(12,429)	85,665
Gain (loss) on sale of capital assets	-	270,000	270,375	375	36,000
Other	45,000	45,000	14,922	(30,078)	14,374
Transfers from Basalt Rural Fire Protection District	5,600,000	5,600,000	5,699,247	99,247	5,151,953
Transfers from Snowmass-Wildcat Fire Protection District	6,607,000	6,607,000	6,624,043	17,043	5,909,813
Contributed cash	-	-	-	-	30,000
Total Revenues	<u>14,347,000</u>	<u>15,770,550</u>	<u>16,046,001</u>	<u>275,451</u>	<u>15,172,557</u>
Expenditures:					
Administration:					
Salaries	1,269,521	1,269,521	1,225,476	44,045	1,065,779
Payroll taxes	20,984	20,984	18,043	2,941	16,152
Health benefits	383,228	383,228	367,340	15,888	333,798
Pension benefits	201,370	201,370	180,517	20,853	163,647
Workmen's compensation	140,000	140,000	206,840	(66,840)	117,711
Public relations	7,500	7,500	10,551	(3,051)	3,864
Office expenses	82,500	82,500	80,378	2,122	63,045
Fees	215,500	280,500	278,433	2,067	205,700
Wildland mitigation	40,000	313,411	275,243	38,168	36,000
Subtotal - Administration	<u>2,360,603</u>	<u>2,699,014</u>	<u>2,642,821</u>	<u>56,193</u>	<u>2,005,696</u>
Fire Prevention:					
Salaries	650,810	650,810	699,060	(48,250)	604,783
Payroll taxes	9,240	9,240	9,929	(689)	9,125
Health benefits	110,075	110,075	106,903	3,172	104,239
Pension benefits	98,680	98,680	90,366	8,314	86,125
Public relations	7,000	7,000	14,176	(7,176)	7,219
Office expenses	5,100	5,100	4,009	1,091	5,310
Equipment	42,500	42,500	3,761	38,739	18,754
Subtotal - Fire Prevention	<u>923,405</u>	<u>923,405</u>	<u>928,204</u>	<u>(4,799)</u>	<u>835,555</u>
Operations:					
Salaries	5,468,924	5,468,924	5,181,369	287,555	4,669,784
Payroll taxes	103,650	103,650	98,743	4,907	87,758
Health benefits	724,694	724,694	698,523	26,171	629,904
Pension benefits	911,395	911,395	832,587	78,808	704,044
Communications	252,604	252,604	237,728	14,876	241,936
Rent	15,000	15,000	2,452	12,548	24,255
Building maintenance	164,650	164,650	160,482	4,168	136,602
Utilities	275,000	275,000	224,122	50,878	221,917
Benefits	144,000	144,000	143,023	977	126,952
Repair and maintenance	140,000	140,000	190,559	(50,559)	95,581
Equipment and supplies	482,700	482,700	436,627	46,073	384,080
Staff development	348,900	348,900	244,323	104,577	254,627
Subtotal - Operations	<u>9,031,517</u>	<u>9,031,517</u>	<u>8,450,538</u>	<u>580,979</u>	<u>7,577,440</u>

(continued)

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

Roaring Fork Fire Rescue Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Year Ended 2024)
(Continued)

	2025			2024	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
Vehicle Maintenance and Repair:					
Salaries	125,618	125,618	122,247	3,371	103,619
Payroll taxes	2,080	2,080	1,983	97	1,626
Health benefits	14,691	14,691	14,633	58	14,288
Pension benefits	18,695	18,695	18,802	(107)	14,837
Repair and maintenance	175,000	175,000	194,953	(19,953)	188,973
Equipment and supplies	107,500	107,500	76,631	30,869	79,251
Subtotal - Vehicle Maintenance and Repair	<u>443,584</u>	<u>443,584</u>	<u>429,249</u>	<u>14,335</u>	<u>402,594</u>
Other:					
Capital outlay	2,212,000	2,212,000	1,954,296	257,704	1,180,107
Subtotal - Other	<u>2,212,000</u>	<u>2,212,000</u>	<u>1,954,296</u>	<u>257,704</u>	<u>1,180,107</u>
Total Expenditures	<u>14,971,109</u>	<u>15,309,520</u>	<u>14,405,108</u>	<u>904,412</u>	<u>12,001,392</u>
Excess (Deficiency) of Revenues Over Expenditures	(624,109)	461,030	1,640,893	1,179,863	3,171,165
Funds Available - Beginning of Year	<u>13,149,722</u>	<u>16,602,708</u>	<u>16,602,708</u>	-	<u>13,431,543</u>
Funds Available - End of Year	<u>12,525,613</u>	<u>17,063,738</u>	<u>18,243,601</u>	<u>1,179,863</u>	<u>16,602,708</u>
Reconciliation to GAAP Basis:					
Excess (deficiency) of revenues over expenditures			1,640,893		3,171,165
Depreciation			(1,817,553)		(1,695,460)
Provision for uncollectible income			(1,292,670)		(1,503,805)
Pension expense and change in deferrals			(202,934)		92,168
Capitalized assets			1,954,296		1,180,107
Change in compensated absences			(62,648)		(106,039)
Change in Net Position - GAAP Basis			<u>219,384</u>		<u>1,138,136</u>

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