

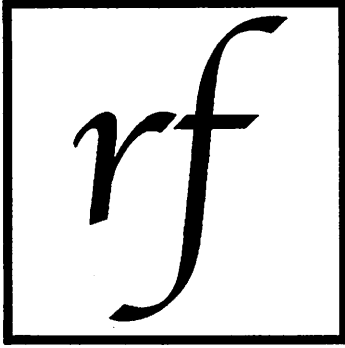
Dolores Fire Protection District

Financial Statements

December 31, 2024

**Dolores Fire Protection District
Table of Contents
December 31, 2024**

| | Page |
|---|------|
| Independent Auditor's Report | 1 |
| Basic Financial Statements: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position | 4 |
| Statement of Activities | 5 |
| Governmental Fund Financial Statements: | |
| Balance Sheet | 6 |
| Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position | 7 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | 8 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities | 9 |
| Fiduciary Fund Financial Statements: | |
| Statement of Fiduciary Net Position | 10 |
| Statement of Changes in Fiduciary Fund Net Position | 11 |
| Notes to the Financial Statements | 12 |
| Required Supplementary Information: | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund | 24 |



Independent Auditor's Report

Board of Directors
Dolores Fire Protection District
Dolores CO 81323

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Dolores Fire Protection District (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the District as of December 31, 2024, and the respective changes in financial position 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information including the management's discussion and analysis and budgetary comparison information 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.

Management has elected to omit the management's discussion and analysis. The omission of this information does not affect our opinion on the basic financial statements.

*r*farmer, U*c*

October 15, 2025

Basic Financial Statements

Dolores Fire Protection District
Statement of Net Position
December 31, 2024

| | Governmental Activities |
|----------------------------------|------------------------------------|
| ASSETS | |
| Cash and Equivalents | \$ 1,403,003 |
| Receivables | 582,299 |
| Capital Assets | |
| Land | 24,416 |
| Buildings | 738,066 |
| Machinery and equipment | 3,187,172 |
| Improvements | 31,410 |
| Less accumulated depreciation | (3,062,075) |
| Total capital assets | 918,989 |
| Total assets | 2,904,291 |
| LIABILITIES | |
| Total liabilities | - |
| Deferred Inflows of Resources | |
| Deferred property taxes | 582,299 |
| Total | 582,299 |
| NET POSITION | |
| Net investment in Capital Assets | 918,989 |
| Restricted for: Emergencies | 11,500 |
| Unrestricted | 1,391,503 |
| Total net position | \$ 2,321,992 |

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

**Dolores Fire Protection District
Statement of Activities
For the Year Ended December 31, 2024**

| <u>Functions/Programs</u> | Program Revenue | | | | Net (Expense) Revenue and Changes in Net Position Primary Government | |
|--|------------------------|---------------------------------|---|---|---|--------------|
| <u>Primary government</u> | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Total</u> |
| Governmental Activities | | | | | | |
| General government | \$ 124,128 | \$ - | \$ - | \$ - | \$ (124,128) | \$ (124,128) |
| Fire Protection | 300,007 | - | - | - | (300,007) | (300,007) |
| Total governmental activities | 424,135 | - | - | - | (424,135) | (424,135) |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purposes | | | | | 642,404 | 642,404 |
| Specific ownership | | | | | 65,525 | 65,525 |
| Unrestricted investment earnings | | | | | 25,386 | 25,386 |
| Miscellaneous | | | | | 4,306 | 4,306 |
| Total general revenues, special items, and transfers | | | | | 737,621 | 737,621 |
| Change in net position | | | | | 313,486 | 313,486 |
| Net position - beginning | | | | | 2,008,506 | 2,008,506 |
| Net position - ending | | | | | \$ 2,321,992 | \$ 2,321,992 |

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

**Dolores Fire Protection District
Balance Sheet
Governmental Funds
December 31, 2024**

| | General |
|--|----------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,403,003 |
| Taxes receivable, net | 582,299 |
| Total assets | 1,985,302 |
| LIABILITIES AND FUND BALANCES | |
| Liabilities: | |
| Total liabilities | - |
| Deferred Inflow of Resources: | |
| Deferred property taxes | 582,299 |
| Fund balances: | |
| Restricted for - TABOR | 11,500 |
| Unassigned | 1,391,503 |
| Total fund balances | 1,403,003 |
| Total liabilities and fund balances | \$ 1,985,302 |

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

Dolores Fire Protection District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2024

Total fund balance, governmental funds \$ 1,403,003

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

918,989

Net Position of Governmental Activities in the Statement of Net Position

\$ 2,321,992

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

Dolores Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

| | General |
|---|----------------|
| REVENUES | |
| Property Taxes | \$ 640,650 |
| SO Tax | 65,525 |
| Intergovernmental | 127 |
| Investment earnings | 27,141 |
| Miscellaneous | 4,179 |
| Total revenues | 737,622 |
| EXPENDITURES | |
| Current: | |
| General government | 178,211 |
| Fire Protection | 147,515 |
| Capital outlay | 53,727 |
| Total Expenditures | 379,453 |
| Excess (deficiency) of revenues over expenditures | 358,169 |
| Net change in fund balances | 358,169 |
| Fund balances - beginning | 1,044,834 |
| Fund balances - ending | \$ 1,403,003 |

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

Dolores Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024

Net change in fund balances - total governmental funds: \$ 358,169

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlay of \$53,727 is less than depreciation of \$98,410 in the current period.

(44,683)

Change in net position of governmental activities:

\$ 313,486

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

**Dolores Fire Protection District
Statement of Fiduciary Net Position
December 31, 2024**

| | | Volunteer Pension Trust Fund |
|--|----------------|---|
| | | <u> </u> |
| Assets | | |
| Bank Money Market Account | \$ 13,856 | |
| Investments | <u>792,792</u> | |
| Total Assets | | <u><u>806,648</u></u> |
| Liabilities | | |
| Distributions Payable | <u>-</u> | |
| Total Liabilities | | <u>-</u> |
| Net Position Restricted for Pension Benefits | | <u><u>\$ 806,648</u></u> |

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

Dolores Fire Protection District
Statement of Changes in Fiduciary Net Position
December 31, 2024

| | | Volunteer Pension Trust Fund |
|---|---------------|---|
| Additions | | |
| Contributions: | | |
| District | \$ 92,000 | |
| State of Colorado | <u>23,755</u> | |
| Total Contributions | | 115,755 |
| Investment Income: | | |
| Interest and dividends | 6,772 | |
| Unrealized Gains and other | <u>79,993</u> | |
| Total Investment Income | | <u>86,765</u> |
| Total Additions | | 202,520 |
| Deductions: | | |
| Benefits | 92,000 | |
| Professional Fees and other costs | <u>18,075</u> | |
| Total Deductions | | <u>110,075</u> |
| Net Increase | | 92,445 |
| Net Position Restricted for Pension Benefits, beginning of year | | <u>714,203</u> |
| Net Position Restricted for Pension Benefits, end of year | | <u><u>\$ 806,648</u></u> |

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

**Dolores Fire Protection District
Notes to the Financial Statements
December 31, 2024**

Note 1 Summary of Significant Accounting Policies

The accounting and reporting policies of the Dolores Fire Protection District (the “District”) conform to generally accepted accounting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District’s financial statements.

Reporting Entity:

The financial report of the District includes all of the integral parts of the District’s operations. The District has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity. The District is an all-volunteer fire department in Montezuma County providing fire protection, rescue and medical services to a 366 square mile area, including portions of the San Juan National Forest and the Dolores River. Founded in 1916, the district operates three fire stations and is recognized by the Insurance Services Office as a class 3 department.

Government-wide and Fund Financial Statements:

The District reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

Separate financial statements are provided for the governmental fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

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

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 a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However,

debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

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

The District also reports the following fund type:

The *Volunteer Pension Trust Fund* accounts for the activities of the Dolores Fire Protection District Volunteer Pension Plan (the "Plan"), which accumulates resources for pension benefit payments to qualified volunteers. The Plan uses the accrual basis of accounting. Matching and District contributions are recognized as revenues in the period in which the contributions are due. Benefits are recognized when due and payable in accordance with terms of the Plan.

Capital Assets:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Acquisitions of capital assets are recorded as capital outlay expenditures within the governmental funds. Depreciation has been provided on capital assets, using straight line methods over the useful lives of the assets (buildings 50 years, trucks 20 years, and equipment 10 years). The District's capitalization level is \$5,000.

Property Taxes:

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the same year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The District uses the Montezuma County Treasurer to bill and collect its property taxes. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible. Taxes levied in December 2024 are recorded as taxes receivable and unearned revenue as of December 31, 2024.

The original January 1, 2024 levy for the General Fund of the District was 10.000 mills or approximately \$582,299.

Budget:

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with generally accepted accounting principles for all funds. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Board is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board through a supplemental appropriation resolution. The budget was not amended in 2024.

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by law or outside parties for use for specific purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at December 31, 2024 are \$11,500.

Assigned fund balances, if any, are amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

Net Position:

Net position represents the difference between assets and liabilities. 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 and construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Pensions:

The District participates in a defined benefit pension fund, which is administered by the District. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, if any, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Implementation of GASB Statement 73:

As of December 31, 2024, the District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*. The implementation of this standard requires governments to calculate and report the costs and obligations associated with pensions in their basic

financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The additional disclosures required by this standard are included in Note 4.

Note 2 Cash and Investments

The District's bank accounts at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school district, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Note 3 Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2024, is as follows:

| | Governmental Activities | | | |
|--------------------------------|-------------------------|-------------|-----------|----------------|
| | Beginning Balance | Additions | Deletions | Ending Balance |
| Non-depreciable: | | | | |
| Land | \$ 24,416 | \$ - | \$ - | \$ 24,416 |
| Total non-depreciable assets | 24,416 | - | - | 24,416 |
| Depreciable: | | | | |
| Buildings | 738,066 | - | - | 738,066 |
| Improvements | 31,410 | | | 31,410 |
| Machinery and equipment | 3,133,445 | 53,727 | - | 3,187,172 |
| Total depreciable assets | 3,902,921 | 53,727 | - | 3,956,648 |
| Total capital assets | 3,927,337 | 53,727 | - | 3,981,064 |
| Less accumulated depreciation: | | | | |
| Buildings | (357,186) | (14,680) | - | (371,866) |
| Improvements | (20,019) | (1,253) | - | (21,272) |
| Machinery and equipment | (2,586,459) | (82,477) | - | (2,668,936) |
| Total accumulated depreciation | (3,522,413) | (98,410) | - | (3,062,074) |
| Governmental Activities | | | | |
| Capital assets, net | \$ 963,673 | \$ (44,683) | \$ - | \$ 918,990 |

Depreciation expense was charged to the primary government as follows:

| | |
|--------------------|------------------|
| General Government | <u>\$ 98,410</u> |
|--------------------|------------------|

Note 4

Volunteer Pension Plan

The District's defined benefit pension plan for volunteers provides retirement and benefits to plan members and beneficiaries. The District's board of directors has authorized the plan and can amend it. The plan does not have assets accumulated in a trust.

Contribution requirements of the District are established under Title 31, Article 30 of the Colorado Revised Statutes. Districts are allowed to levy up to a 1.00 mill property tax to provide pension contributions and may also contribute other revenues. The District does not use a mill levy to fund the pension plan. Contributions to the plan for the year ended December 31, 2024 included \$23,755 from State of Colorado and \$70,000 from the District.

At December 31, 2024, pension plan membership consisted of 12 active members and 21 inactive members. The monthly pension benefit is \$500. The monthly benefit amount can be changed by the board.

For the year ended December 31, 2024, the District recognized pension expense of \$92,000.

At December 31, 2024, the District did not have deferred outflows of resources related to pensions.

(The rest of this page is intentionally left blank)

Comparisons of Actuarial Valuation Results for Current and Previous Valuations:

A summary and comparison of the principal results from the current and previous actuarial valuations for the Dolores Fire Protection District Pension Fund are outlined below:

| | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Beginning Monthly Benefit Rate | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$500 |
| Investment Return | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |
| Valuation Year | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Active members | 16 | 13 | 9 | 13 | 8 | 13 | 9 | 12 |
| Vested terminated members | 2 | 1 | 1 | 1 | 1 | 1 | 0 | 0 |
| Retired members and beneficiaries | 20 | 22 | 22 | 20 | 23 | 23 | 23 | 21 |
| Total | 38 | 36 | 32 | 34 | 32 | 37 | 32 | 33 |
| Entry-Age Actuarial Liability(1) | \$1,298,828 | \$1,277,488 | \$1,267,869 | \$1,153,895 | \$1,187,211 | \$1,184,430 | \$1,074,279 | \$1,247,420 |
| Pension Fund Assets | 567,377 | 548,717 | 593,976 | 640,354 | 722,838 | 667,240 | 714,203 | 806,648 |
| Unfunded Actuarial Liability(2) | 731,451 | 728,771 | 673,893 | 513,541 | 464,373 | 517,190 | 360,076 | 440,772 |
| Entry-Age Normal Cost(3) | 21,860 | 15,747 | 12,216 | 15,820 | 10,545 | 18,175 | 11,844 | 14,803 |
| <u>Funding Requirements</u> | | | | | | | | |
| Normal Cost plus 20 year pay off of Unfunded Actuarial Liability | 79,876 | 73,551 | 65,667 | 56,552 | 47,378 | 59,197 | 40,404 | 49,764 |
| Normal Cost plus 30 year pay off of Unfunded Actuarial Liability* | 69,564 | 63,276 | 56,166 | 49,312 | 40,831 | 51,905 | 35,328 | 43,549 |
| Normal Cost plus 40 year pay off of Unfunded Actuarial Liability** | 65,068 | 58,797 | 52,024 | 46,156 | 37,976 | 48,726 | 33,114 | 40,840 |
| Net GASB District Pension Expense | 75,193 | 72,695 | 65,045 | 47,616 | 23,087 | 51,309 | 22,984 | 34,630 |
| <u>Funding Margins</u> | | | | | | | | |
| Expected Annual Contributions | 87,827 | 86,960 | 86,960 | 92,348 | 92,235 | 99,224 | 91,200 | 93,755 |
| Future 40-Year Funding Surplus | 22,759 | 28,163 | 34,936 | 46,192 | 54,259 | 50,498 | 58,086 | 52,915 |
| Downside Asset Protection | 385,279 | 476,762 | 591,420 | 781,969 | 918,532 | 854,864 | 983,318 | 895,780 |
| Minimum Required Asset Value*** | \$ 182,098 | \$ 71,955 | \$ 2,556 | \$ - | \$ - | \$ - | \$ - | \$ - |

* GASB Actuarially Required Contribution is Normal Cost plus 30-Year Pay Off of Unfunded Actuarial Liability

** CRS 31-31-102(1) Minimum is Normal Cost plus 40-Year Pay Off of Unfunded Actuarial Liability

*** Minimum Asset Value needed to maintain an actuarially sound plan

(1) GASB Total Pension Liability

(2) GASB Net Pension Liability

(3) GASB Service Cost

Unfunded Actuarial Liability and Normal Cost:

Unfunded Actuarial Liability at Valuation Date

| | | |
|---|------------|-----------|
| 1. Present Value of Future Benefits | | |
| a. Active employees | \$ 267,232 | |
| b. Retired lives | 1,048,433 | |
| c. Survivors | 73,490 | |
| d. Total Present Value of Benefits | | 1,389,155 |
| 2. Present Value of Future Normal Costs | | 141,735 |
| 3. Total Actuarial Liability (1d - 2) | | 1,247,420 |
| 4. Market Value of Fund Assets | | 806,648 |
| 5. Unfunded Actuarial Liability (3 - 4) | | 440,772 |

Normal Cost at Valuation Date

| | | |
|--------------------------|--|--------|
| 6. Entry-Age Normal Cost | | 14,803 |
|--------------------------|--|--------|

Actuarial Gain / (Loss) for Plan Year

| | | |
|---|---------|-----------|
| 7. Unfunded Actuarial Liability at Previous Valuation Date | 360,076 | |
| Interest to Valuation Year End | 19,804 | |
| | | 379,880 |
| 8. Normal Cost at Previous Valuation Date | 11,844 | |
| Interest to Valuation Year End | 651 | |
| | | 12,495 |
| 9. Contributions for Previous Valuation Year | 115,755 | |
| Interest to Valuation Year End | 3,183 | |
| | | 118,938 |
| 10. Expected Unfunded Actuarial Liability at Valuation Date | | 273,437 |
| 11. Actuarial Liability for Benefit Improvements | | 249,484 |
| 12. Unfunded Actuarial Liability at Valuation Date | | 440,772 |
| 13. Change in Actuarial Liability (12 - 11 - 10) | | (82,149) |
| 14. Principal Repaid for Year | | (162,845) |
| 15. Net Experience Deviation for Year (13 - 14) | | \$ 80,696 |

Actuarial Present Values for Expected District, State Contributions and Benefit Payments:

| Int Rate | APV Benefits | APV Future Contributions | Plan Assets | Current Resources | APV Surplus | Surplus % of Benefits |
|----------|--------------|--------------------------|-------------|-------------------|-------------|-----------------------|
| 4.50% | \$1,565,705 | \$1,307,020 | \$806,648 | \$2,113,668 | \$547,963 | 35.00% |
| 5.50% | \$1,389,155 | \$1,176,432 | \$806,648 | \$1,983,080 | \$593,925 | 42.75% |
| 6.50% | \$1,247,790 | \$1,065,823 | \$806,648 | \$1,872,471 | \$624,681 | 50.06% |

1. Monthly benefit rate is \$25.00 for each year of service (\$500.00 after 20 years of service)
2. Annual District contributions start at \$70,000 and decrease 2% per year thru 2064
3. Annual State contributions are \$23,755 per year thru 2064
4. An APV Surplus greater than \$139,000 indicates a capacity to improve benefits

GASB No. 67 liabilities and ratios from the current and previous Actuarial Valuations are as follows:

| <u>Year Beginning</u> | <u>Actuarial Liability</u> | <u>Plan Assets</u> | <u>Unfunded Liability</u> | <u>Funded Ratio</u> | <u>Benefit Rate</u> |
|-----------------------|----------------------------|--------------------|---------------------------|---------------------|---------------------|
| 2012 | \$ 1,252,448 | \$ 483,074 | \$ 769,374 | 38.6% | \$ 400 |
| 2013 | 1,200,033 | 507,661 | 692,372 | 42.3% | 400 |
| 2014 | 1,218,386 | 472,063 | 746,323 | 38.7% | 400 |
| 2015 | 1,265,321 | 562,133 | 703,188 | 44.4% | 400 |
| 2016 | 1,313,348 | 557,592 | 755,756 | 42.5% | 400 |
| 2017 | 1,309,984 | 544,468 | 765,516 | 41.6% | 400 |
| 2018 | 1,298,828 | 567,377 | 731,451 | 43.7% | 400 |
| 2019 | 1,277,488 | 548,717 | 728,771 | 43.0% | 400 |
| 2020 | 1,267,869 | 593,976 | 673,893 | 46.8% | 400 |
| 2021 | 1,153,895 | 640,354 | 513,541 | 55.5% | 400 |
| 2022 | 1,187,211 | 722,838 | 464,373 | 60.9% | 400 |
| 2023 | 1,184,430 | 667,240 | 517,190 | 56.3% | 400 |
| 2024 | 1,074,129 | 714,203 | 359,926 | 66.5% | 400 |
| 2025 | \$ 1,247,420 | \$ 806,648 | \$ 440,772 | 64.7% | \$ 500 |

GASB No. 68 reporting requirements from the current Actuarial Valuation are as follows:

| | |
|---|-------------------|
| <u>Measurement Date</u> | <u>12/31/2024</u> |
| Year End Monthly Benefit Rate | <u>\$ 500</u> |
| Previous Total Pension Liability | 1,074,279 |
| Value of Plan Assets | <u>714,203</u> |
| Previous Net Pension Liability | <u>360,076</u> |
| Changes in Total Pension Liability due to: | |
| Actuarial Variations | (48,543) |
| Net Benefit Accrual | (27,800) |
| Change in Assumptions | - |
| Plan Amendments | <u>249,484</u> |
| Net Changes in Liability | <u>173,141</u> |
| Current Total Pension Liability | 1,247,420 |
| Value of Plan Assets | <u>806,648</u> |
| Current Net Pension Liability | <u>440,772</u> |
| Sensitivity of Net Pension Liability to Changes in Actuarial Funding Discount Rate | |
| 1% Decrease in Rate to 4.50% | 568,555 |
| Current 5.50% Rate | 440,772 |
| 1% Increase in Rate to 6.50% | 334,607 |
| <u>GASB No. 68 District Pension Expense</u> | |
| Service Cost | 14,803 |
| Interest Cost for Total Pension Liability | 66,518 |
| Expected Investment Return | (44,040) |
| Net Liability Outflow/(Inflow) Resources | 23,969 |
| Net Plan Asset Outflow/(Inflow) Resources | <u>(2,865)</u> |
| Total District GASB Pension Expense | 58,385 |
| Expected State Contributions | <u>(23,755)</u> |
| Net District GASB Pension Expense for 2025 | <u>\$ 34,630</u> |

GASB No. 67 liabilities and ratios from the current and previous Actuarial Valuations are as follows:

| <u>Year Beginning</u> | <u>Actuarial Liability</u> | <u>Plan Assets</u> | <u>Unfunded Liability</u> | <u>Funded Ratio</u> | <u>Benefit Rate</u> |
|-----------------------|----------------------------|--------------------|---------------------------|---------------------|---------------------|
| 2012 | \$ 1,252,448 | \$ 483,074 | \$ 769,374 | 38.6% | \$ 400 |
| 2013 | 1,200,033 | 507,661 | 692,372 | 42.3% | 400 |
| 2014 | 1,218,386 | 472,063 | 746,323 | 38.7% | 400 |
| 2015 | 1,265,321 | 562,133 | 703,188 | 44.4% | 400 |
| 2016 | 1,313,348 | 557,592 | 755,756 | 42.5% | 400 |
| 2017 | 1,309,984 | 544,468 | 765,516 | 41.6% | 400 |
| 2018 | 1,298,828 | 567,377 | 731,451 | 43.7% | 400 |
| 2019 | 1,277,488 | 548,717 | 728,771 | 43.0% | 400 |
| 2020 | 1,267,869 | 593,976 | 673,893 | 46.8% | 400 |
| 2021 | 1,153,895 | 640,354 | 513,541 | 55.5% | 400 |
| 2022 | 1,187,211 | 722,838 | 464,373 | 60.9% | 400 |
| 2023 | 1,184,430 | 667,240 | 517,190 | 56.3% | 400 |
| 2024 | 1,074,129 | 714,203 | 359,926 | 66.5% | 400 |
| 2025 | \$ 1,247,420 | \$ 806,648 | \$ 440,772 | 64.7% | \$ 500 |

GASB No. 68 reporting requirements from the current Actuarial Valuation are as follows:

| | |
|--|-------------------|
| <u>Measurement Date</u> | <u>12/31/2024</u> |
| Year End Monthly Benefit Rate | <u>\$ 500</u> |
| Previous Total Pension Liability | 1,074,279 |
| Value of Plan Assets | <u>714,203</u> |
| Previous Net Pension Liability | <u>360,076</u> |
| Changes in Total Pension Liability due to: | |
| Actuarial Variations | (48,543) |
| Net Benefit Accrual | (27,800) |
| Change in Assumptions | - |
| Plan Amendments | <u>249,484</u> |
| Net Changes in Liability | <u>173,141</u> |
| Current Total Pension Liability | 1,247,420 |
| Value of Plan Assets | <u>806,648</u> |
| Current Net Pension Liability | <u>440,772</u> |
| Sensitivity of Net Pension Liability to Changes in Actuarial Funding Discount Rate | |
| 1% Decrease in Rate to 4.50% | 568,555 |
| Current 5.50% Rate | 440,772 |
| 1% Increase in Rate to 6.50% | 334,607 |
| <u>GASB No. 68 District Pension Expense</u> | |
| Service Cost | 14,803 |
| Interest Cost for Total Pension Liability | 66,518 |
| Expected Investment Return | (44,040) |
| Net Liability Outflow/(Inflow) Resources | 23,969 |
| Net Plan Asset Outflow/(Inflow) Resources | <u>(2,865)</u> |
| Total District GASB Pension Expense | 58,385 |
| Expected State Contributions | <u>(23,755)</u> |
| Net District GASB Pension Expense for 2025 | <u>\$ 34,630</u> |

Reconciliation of GASB Pension Liability and Plan Assets:

| | <u>Total Liability</u> | <u>Plan Assets</u> | <u>Net Liability</u> |
|-------------------------------|------------------------|--------------------|----------------------|
| December 31, 2023 | \$ 1,074,279 | \$ 714,203 | \$ 360,076 |
| Service Cost | 11,844 | - | 11,844 |
| Expected Interest | 70,431 | 39,437 | 30,994 |
| Benefits Paid | (110,075) | (110,075) | - |
| Contributions Received | - | 115,755 | (115,755) |
| Investment Performance | - | 47,328 | (47,328) |
| Changes in Plan Benefits | 249,484 | - | 249,484 |
| Changes in Assumptions | - | - | - |
| Actuarial Variations | (48,543) | - | (48,543) |
| Net Changes | <u>173,141</u> | <u>92,445</u> | <u>80,696</u> |
| December 31, 2024 | 1,247,420 | 806,648 | 440,772 |
| <u>Reconciliations</u> | | | |
| Actuarial Variations | (48,543) | - | (48,543) |
| Net Benefit Accrual | (27,800) | - | - |
| Expected Net Cash Flow | - | 45,117 | - |
| Principal Repaid | - | - | (72,917) |
| Investment Performance | - | 47,328 | (47,328) |
| Change in Assumptions | - | - | - |
| Plan Amendments | 249,484 | - | 249,484 |
| Net Changes | <u>\$ 173,141</u> | <u>\$ 92,445</u> | <u>\$ 80,696</u> |

Demographic Assumptions:

- Valuation Census – Closed group of lives as of the valuation date
- Mortality rates – Modified 1994 Group Annuity Mortality for males
- Turnover rates – Graduated rates by attained age
- Disability rates – None used
- Retirement age – Age 50, after 20 years of service
- Age difference – Males are 2 years older than females
- Marital status – 70% of all members are married

| Age | Deaths Per 100 | Turnover Per 100 | Decrement Per 100 | Actuarial Prob (ERA) |
|-----|-------------------|---------------------|----------------------|-------------------------|
| 25 | 0.00 | 9.09 | 9.09 | 34.2% |
| 30 | 0.00 | 6.68 | 6.68 | 52.2% |
| 35 | 0.00 | 4.61 | 4.61 | 70.4% |
| 40 | 0.00 | 2.54 | 2.54 | 85.9% |
| 45 | 0.00 | 1.33 | 1.33 | 96.1% |
| 50 | 0.00 | 0.00 | 0.00 | 100.0% |
| 55 | 0.00 | 0.00 | 0.00 | |
| 65 | 1.31 | 0.00 | 1.31 | |
| 75 | 3.36 | 0.00 | 3.36 | |
| 85 | 8.99 | 0.00 | 8.99 | |
| 90 | 14.38 | 0.00 | 14.38 | |

Summary of Pension Fund Assets:

| | | |
|--------------------------------------|------------|----------------|
| Investments | | |
| Lincoln Fin Adv | \$ 560,290 | |
| Mass Mutual | 232,502 | |
| Money Market Account | 13,856 | |
| Invested Assets at December 31, 2024 | | 806,648 |
| Accrued State Contributions | | - |
| Total Assets at December 31, 2024 | | <u>806,648</u> |

Receipts and Disbursements for Previous Plan Year:

| | | |
|-----------------------------------|--------|------------------|
| Receipts | | |
| Contributions | | |
| District | 92,000 | |
| State | 23,755 | |
| Other | - | |
| Total | | <u>115,755</u> |
| Investment Income | | |
| Interest and Dividends | 6,772 | |
| Other | 52 | |
| Total | | <u>6,824</u> |
| Other Receipts | | - |
| Total Receipts | | <u>122,579</u> |
| Disbursements | | |
| Benefits Paid | 92,000 | |
| Expenses and Fees | 5,000 | |
| Other Disbursements | 13,075 | |
| Total Disbursements | | <u>110,075</u> |
| Reconciliation | | |
| Market Value at December 31, 2023 | | 714,203 |
| Net Cash Flow | | 12,504 |
| Change in Asset Values | | 79,941 |
| Market Value at December 31, 2024 | | <u>806,648</u> |
| Rate of Return | | |
| Mean Invested Assets | | 717,043 |
| Net Investment Return | | <u>\$ 86,765</u> |
| Estimated Rate of Return for 2024 | | 12.10% |

Note 5**Contingencies**

In 1992 the Colorado voters approved the “Taxpayer’s Bill of Rights” (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Included in the accompanying financial statements are emergency reserves of at least 3% of fiscal year spending.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The District purchases commercial insurance for risks of loss in excess of deductible amounts. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Required Supplementary Information

Dolores Fire Protection District
Budget and Actual
General
For the year ended December 31, 2024

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> |
|--|-------------------------|-------------------|--|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Property Taxes | \$ 567,989 | \$ 567,989 | \$ 640,650 |
| SO Taxes | 70,000 | 70,000 | 65,525 |
| Intergovernmental | 500,000 | 500,000 | 127 |
| Investment earnings | 400 | 400 | 27,141 |
| Miscellaneous | 1,500 | 1,500 | 4,179 |
| Total revenues | <u>1,139,889</u> | <u>1,139,889</u> | <u>737,622</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 164,500 | 164,500 | 178,211 |
| Fire protection | 190,000 | 190,000 | 147,515 |
| Capital outlay | <u>1,500,000</u> | <u>1,500,000</u> | <u>53,727</u> |
| Total Expenditures | <u>1,854,500</u> | <u>1,854,500</u> | <u>379,453</u> |
| Excess (deficiency) of revenues over expenditures | <u>(714,611)</u> | <u>(714,611)</u> | <u>358,169</u> |
| Net change in fund balances | (714,611) | (714,611) | 358,169 |
| Fund balances - beginning | <u>1,049,392</u> | <u>1,049,392</u> | <u>1,044,834</u> |
| Fund balances - ending | <u>\$ 334,781</u> | <u>\$ 334,781</u> | <u>\$ 1,403,003</u> |