

**Washington – Yuma Counties Combined Communications Center & 911 Authority
Yuma, Colorado**

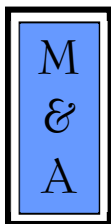
**Financial Statements
December 31, 2024**



**Washington – Yuma Counties Combined Communications Center & 911 Authority
Financial Statements
December 31, 2024**

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MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Washington - Yuma Counties Combined Comm Center & 911 Authority
Yuma, Colorado**

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Washington - Yuma Counties Combined Comm Center & 911 Authority (the "Center"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Center as of December 31, 2024 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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 Center 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 Center'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 Center's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Washington - Yuma Counties Combined Comm Center & 911 Authority

Yuma, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Center'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 Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis in section B, and the Schedule of the Center's Proportionate Share of the Net Pension Liability, the Schedule of Center Pension Contributions, the Schedule of the Center's Proportionate Share of the Net OPEB Liability, the Schedule of Center OPEB Contributions, and the Notes to the Required Supplemental Information 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 section B in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.

Avon, Colorado

September 26, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



WASHINGTON – YUMA COUNTIES COMBINED COMMUNICATIONS CENTER & 911 AUTHORITY

Management's Discussion and Analysis December 31, 2024

As management of the Washington – Yuma Counties Combined Communications Center & 911 Authority, (the "Center"), we offer readers of the financial statements this narrative summary of the financial activities for the year ended December 31, 2024.

Overview of the Financial Statements

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

Financial Statements: The financial statements are designed to provide readers with an overview of the Center's finances, from both a short-term fund perspective and a long-term economic perspective.

The Balance Sheet/Statement of Net Position presents information (both short-term and long-term) on all the Center's assets and deferred outflows of resources; liabilities and deferred inflows of resources; with the difference between the two reported as fund balance or net position. The Balance Sheet column presents the financial position focusing on short-term available resources and is reported on the modified accrual basis of accounting. The Statement of Net Position column presents the financial position focusing on long-term economic resources and is reported on the full accrual basis of accounting. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating.

The Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities shows how the government's fund balance and net position changed during the most recent fiscal year. Again, the Statement of Revenues, Expenditures and Changes in Fund Balance column focuses on short-term available resources and is reported on the modified accrual basis of accounting. The Statement of Activities column focuses on long-term economic resources and is reported on the full accrual basis.

The Center adopts a budget annually for the General Fund and the 911 Authority Fund. A budget comparison statement has been provided to demonstrate compliance with these budgets. The Center's financial statements can be found in Section C 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 Center. 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.

Financial Analysis of the Center

Washington - Yuma Counties Combined Communications Center & 911 Authority's Statement of Net Position

	<u>2024</u>	<u>2023</u>
Assets:		
Current and other assets	1,379,068	363,852
Capital assets	302,491	-
Total Assets	<u>1,681,559</u>	<u>363,852</u>
Deferred Outflows of Resources:		
Pension & OPEB related deferred outflows	287,305	350,968
Total Deferred Outflows of Resources	<u>287,305</u>	<u>350,968</u>
Liabilities:		
Other liabilities	154,953	111,688
Long-term liabilities	853,842	732,211
Total Liabilities	<u>1,008,795</u>	<u>843,899</u>
Deferred Inflows of Resources:		
Pension & OPEB related deferred inflows	21,421	52,328
Total Deferred Inflows of Resources	<u>21,421</u>	<u>52,328</u>
Net Position:		
Net invested in capital assets	(25,198)	-
Restricted	898,497	-
Unrestricted	65,349	(181,407)
Total Net Position	<u>\$ 938,648</u>	<u>\$ (181,407)</u>

At the end of the 2024 fiscal year, the Center reports a positive net position due to the addition of the 911 Authority Fund in 2024. The Center's net position increased by \$1,120,055, and the Center begins 2025 with a net position of \$938,648.

Washington - Yuma Counties Combined Communications Center & 911 Authority's Change in Net Position

	<u>2024</u>	<u>2023</u>
Revenues:		
Yuma County	\$ 600,600	\$ 572,000
Washington County	300,300	286,000
Washington - Yuma Counties		
Emergency Telephone Service Authority	-	40,000
RETAC Coordinator	140,378	113,276
Asset contributions	423,350	-
Other contributions	151,494	24,870
Surcharges	709,054	-
Other	8,616	-
Interest	12,067	955
Total Revenues	<u>2,345,859</u>	<u>1,037,101</u>
Expenses:		
Salaries and benefits	840,674	765,753
Supplies	4,004	5,722
Postage, printing, and advertising	120	30
Dues	1,296	1,200
Utilities	8,986	9,360
Telephone	70,206	16,445
Repair and maintenance	81,353	566
Meetings and travel	3,476	1,602
Training	585	685
Computer support equipment	3,447	2,889
Depreciation/amortization expense	120,859	-
Treasurers' fees	4,082	3,308
Other	2,783	1,772
CAPP insurance	20,169	5,881
Professional services	26,715	46,456
RETAC salaries and other costs	140,378	114,500
Interest expense	9,072	-
Pension expense	(103,083)	(96,827)
OPEB expense	(9,318)	(8,114)
Total Expenses	<u>1,225,804</u>	<u>871,228</u>
Change in Net Position	1,120,055	165,873
Net Position:		
Beginning of the Year	<u>(181,407)</u>	<u>(347,280)</u>
End of the Year	<u>\$ 938,648</u>	<u>\$ (181,407)</u>

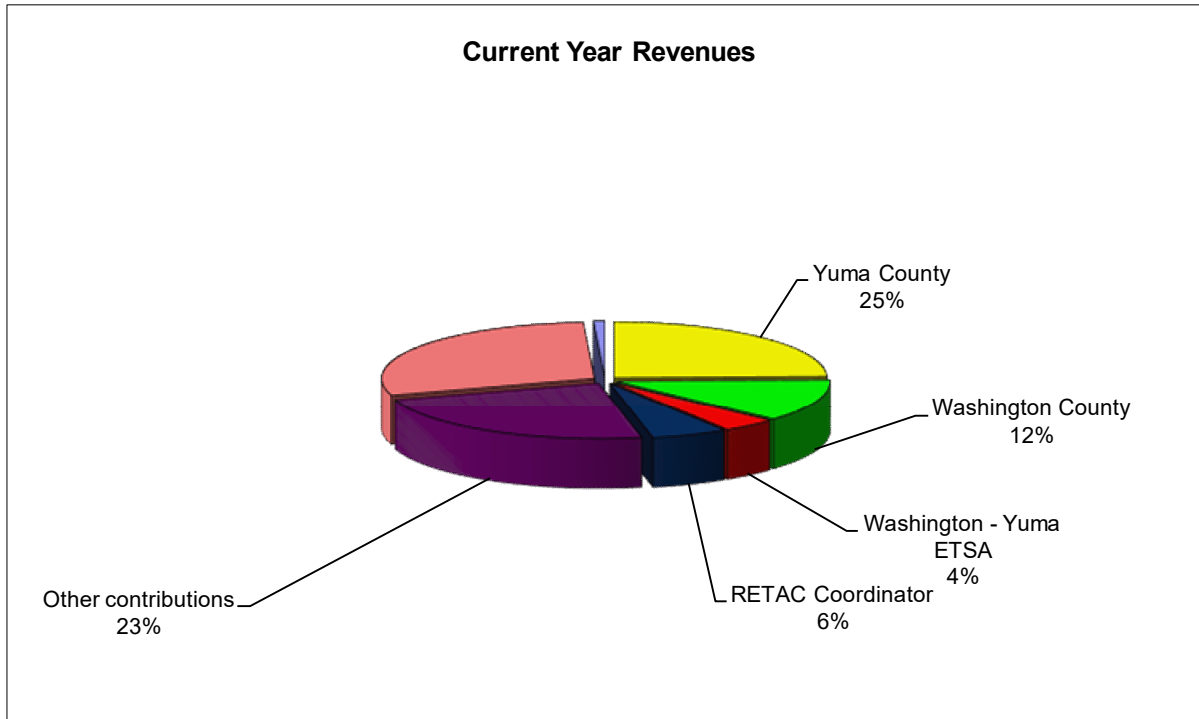
Financial Analysis of the Center

Revenues from Yuma and Washington Counties and surcharges were the most significant sources of income, accounting for 40% of total revenues. The contribution of the 911 Authority Fund was another major source of income in 2024.

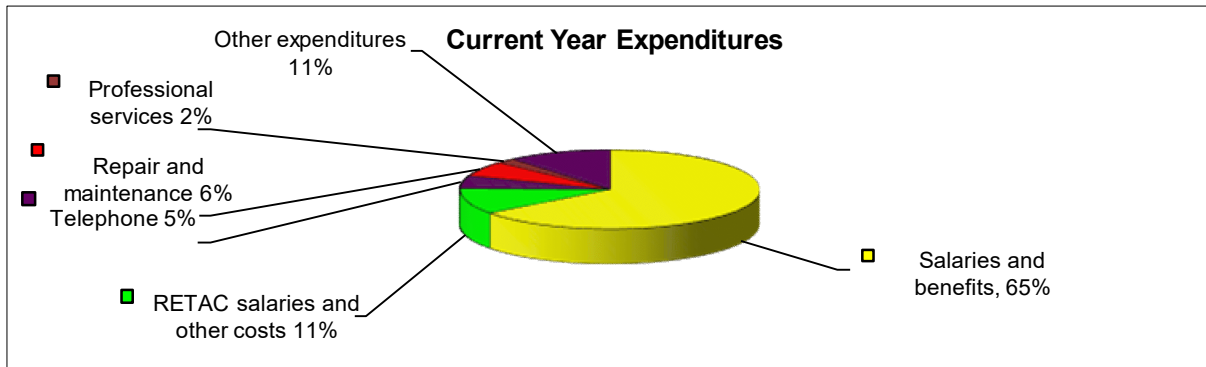
Salaries and other payroll costs accounted for 69% of the Center's expenses.

Financial Analysis of the Center (continued)

The following graph details the Center's 2024 revenues:



The following graph shows the Center's 2024 expenditures:



Budget Variances in the General Fund

The Center did not amend the General Fund budget for the 2024 fiscal year; the actual expenditures for the General Fund were over budgeted amounts by \$28,957.

Significant budget variances in the General Fund were as follows:

	Positive (Negative) Variance	Reason
Revenues:		
RETAC Coordinator	\$ 140,378	Offset by expense
Expenditures:		
Salaries and benefits	97,182	Budgeted for more full-time employees, hours for part-time employees, and personal leave buyout than needed
RETAC salaries and other costs	(140,378)	Offset by revenue

Capital Assets: The Center's investment in capital assets totaled \$302,491 in 2024. Additional information, as well as a detailed classification of the Center's net capital assets, can be found in the Notes to the Financial Statements in Section D of this report.

Long-Term Debt: As of December 31, 2024, the Center had an outstanding debt of \$567,908 consisting of the Center's net pension and OPEB liabilities and compensated absences payable. Additional information as well as a detailed classification of the Center's long-term liabilities can be found in the Notes to the Financial Statements in Section D of this report.

Next Year's Budget and Rates

The Center's general fund balance at the end of the 2024 fiscal year totaled \$340,771. The Center's 2025 budget anticipates a decrease of \$38,978 in fund balance.

Request for Information

This financial report is designed to provide a general overview of the Center's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Washington - Yuma Combined Communications Center, 310 Ash, Suite A, Wray, CO 80758.

BASIC FINANCIAL STATEMENTS



Washington - Yuma Combined Communications Center
Balance Sheet / Statement of Net Position
December 31, 2024

	<u>General Fund</u>	<u>911 Authority Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:					
Cash and cash equivalents	-	834,947	834,947	-	834,947
Cash with County Treasurer	284,050	-	284,050	-	284,050
Due from other governments	169,919	63,550	233,469	-	233,469
Prepaid expenses	-	26,602	26,602	-	26,602
Equipment	-	-	-	59,750	59,750
Software	-	-	-	16,634	16,634
Furniture and fixtures	-	-	-	13,439	13,439
SBITA asset	-	-	-	400,383	400,383
Accumulated depreciation/amortization	-	-	-	(187,715)	(187,715)
Total Assets	<u>453,969</u>	<u>925,099</u>	<u>1,379,068</u>	<u>302,491</u>	<u>1,681,559</u>
Deferred Outflows of Resources:					
Pension related deferred outflows	-	-	-	273,618	273,618
OPEB related deferred outflows	-	-	-	13,687	13,687
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,305</u>	<u>287,305</u>
Liabilities:					
Accounts payable	37,399	-	37,399	-	37,399
Payroll liabilities	75,799	-	75,799	-	75,799
Accrued compensated absences	-	-	-	41,755	41,755
SBITA liability	-	-	-	327,689	327,689
Net pension liability	-	-	-	488,400	488,400
Net OPEB liability	-	-	-	37,753	37,753
Total Liabilities	<u>113,198</u>	<u>-</u>	<u>113,198</u>	<u>895,597</u>	<u>1,008,795</u>
Deferred Inflows of Resources:					
Pension related deferred inflows	-	-	-	1,335	1,335
OPEB related deferred inflows	-	-	-	20,086	20,086
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,421</u>	<u>21,421</u>
Fund Balances / Net Position:					
Fund Balance:					
Nonspendable	-	26,602	26,602	(26,602)	
Restricted	-	898,497	898,497	(898,497)	
Unassigned	340,771	-	340,771	(340,771)	
Total Fund Balance	<u>340,771</u>	<u>925,099</u>	<u>1,265,870</u>	<u>(1,265,870)</u>	
Total Liabilities and Fund Balance	<u>453,969</u>	<u>925,099</u>			
Net Position:					
Net investment in capital assets				(25,198)	(25,198)
Restricted				898,497	898,497
Unrestricted				65,349	65,349
Total Net Position				<u>938,648</u>	<u>938,648</u>

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

**Washington - Yuma Combined Communications Center
Statement of Revenues, Expenditures
and Changes in Fund Balance / Statement of Activities
For the Year Ended December 31, 2024**

	<u>General Fund</u>	<u>911 Authority Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:					
Yuma County	600,600	-	600,600	-	600,600
Washington County	300,300	-	300,300	-	300,300
Washington - Yuma Counties					
Emergency Telephone Service Authority	100,000	-	100,000	(100,000)	-
RETAC Coordinator	140,378	-	140,378	-	140,378
Capital contributions	-	-	-	423,350	423,350
Other contributions	-	569,697	569,697	(418,203)	151,494
Surcharges	-	709,054	709,054	-	709,054
Interest income	4,000	8,067	12,067	-	12,067
Other income	8,595	21	8,616	-	8,616
Total Revenues	<u>1,153,873</u>	<u>1,286,839</u>	<u>2,440,712</u>	<u>(94,853)</u>	<u>2,345,859</u>
Expenditures / Expenses:					
Salaries and benefits	859,820	-	859,820	(19,146)	840,674
Supplies	3,983	21	4,004	-	4,004
Postage, printing, and advertising	-	120	120	-	120
Dues	1,296	-	1,296	-	1,296
Utilities	7,187	1,799	8,986	-	8,986
Telephone	16,324	53,882	70,206	-	70,206
Equipment rental	-	100,000	100,000	(100,000)	-
Repairs and maintenance	217	81,136	81,353	-	81,353
Meetings and travel	3,476	-	3,476	-	3,476
Training	585	-	585	-	585
Computer support equipment	3,447	-	3,447	-	3,447
Depreciation/amortization expense	-	-	-	120,859	120,859
Treasurer's fees	4,082	-	4,082	-	4,082
Other	2,426	357	2,783	-	2,783
CAPP insurance	2,230	17,939	20,169	-	20,169
Professional services	19,815	6,900	26,715	-	26,715
RETAC salaries and other costs	140,378	-	140,378	-	140,378
Debt service					
Principal payments	-	90,514	90,514	(90,514)	-
Interest	-	9,072	9,072	-	9,072
Pension expense	-	-	-	(103,083)	(103,083)
OPEB expense	-	-	-	(9,318)	(9,318)
Total Expenditures / Expenses	<u>1,065,266</u>	<u>361,740</u>	<u>1,427,006</u>	<u>(201,202)</u>	<u>1,225,804</u>
Excess (Deficiency) of Revenues Over Expenditures / Change in Net Position	88,607	925,099	1,013,706	106,349	1,120,055
Fund Balance / Net Position:					
Beginning of the Year	252,164	-	252,164	(433,571)	(181,407)
End of the Year	<u>340,771</u>	<u>925,099</u>	<u>1,265,870</u>	<u>(327,222)</u>	<u>938,648</u>

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

Washington - Yuma Combined Communications Center
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024		Final Budget Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Yuma County	600,600	600,600	-	572,000
Washington County	300,300	300,300	-	286,000
Washington - Yuma Counties				
Emergency Telephone Service Authority	100,000	100,000	-	40,000
RETAC Coordinator	-	140,378	140,378	114,500
Other income	-	8,595	8,595	23,646
Interest income	-	4,000	4,000	955
Total Revenues	1,000,900	1,153,873	152,973	1,037,101
Expenditures:				
Salaries and benefits	957,002	859,820	97,182	757,576
Supplies	11,500	3,983	7,517	5,722
Postage, printing, and advertising	2,600	-	2,600	30
Dues	1,693	1,296	397	1,200
Utilities	12,000	7,187	4,813	9,360
Telephone	9,500	16,324	(6,824)	16,445
Repair and maintenance	2,500	217	2,283	566
Meetings and travel	4,797	3,476	1,321	1,602
Training	5,000	585	4,415	685
Computer support equipment	3,600	3,447	153	2,889
Treasurers' fees	2,500	4,082	(1,582)	3,308
Other	1,700	2,426	(726)	1,772
CAPP insurance	2,113	2,230	(117)	5,881
Professional services	19,804	19,815	(11)	46,456
RETAC salaries and other costs	-	140,378	(140,378)	114,500
Total Expenditures	1,036,309	1,065,266	(28,957)	967,992
Excess (Deficiency) of Revenues Over Expenditures	(35,409)	88,607	124,016	69,109
Fund Balance:				
Beginning of the Year		252,164		183,055
End of the Year		340,771		252,164

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

Washington - Yuma Combined Communications Center
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
911 Authority Fund
For the Year Ended December 31, 2024

	2024		
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:			
Surcharges	643,500	709,054	65,554
Other contributions	-	569,697	569,697
Miscellaneous	-	21	21
Interest income	-	8,067	8,067
Total Revenues	643,500	1,286,839	643,339
Expenditures:			
Supplies	-	21	(21)
Postage, printing, and advertising	1,000	120	880
Utilities	2,700	1,799	901
Telephone	70,150	53,882	16,268
Equipment rental	100,000	100,000	-
Repair and maintenance	176,132	81,136	94,996
Meetings and travel	3,000	-	3,000
Training	3,000	-	3,000
Other	17,000	357	16,643
CAPP insurance	4,000	17,939	(13,939)
Professional services	11,450	6,900	4,550
Debt service			
Principal payments	-	90,514	(90,514)
Interest	-	9,072	(9,072)
Capital outlay	729,707	-	729,707
Total Expenditures	1,118,139	361,740	756,399
Excess (Deficiency) of Revenues Over Expenditures	(474,639)	925,099	1,399,738
Fund Balance:			
Beginning of the Year		-	
End of the Year		925,099	

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

NOTES TO THE FINANCIAL STATEMENTS



Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024

I. Summary of Significant Accounting Policies

The Washington - Yuma Combined Communications Center & 911 Authority (the “Center”) began operations on August 1, 2021, by an intergovernmental agreement between Washington County and Yuma County. The Center was formed to participate in the organization, administration, and common use of a communications center and central emergency telephone service, and other public safety communications services to residents, businesses and visitors to Yuma and Washington Counties. The intergovernmental agreement provides that the Center will remain in operation until the agreement is terminated by a member.

The financial statements of the Center have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center’s accounting policies are described below.

A. Reporting Entity

The Center is governed by a Board of Directors consisting of appointed Board members from member organizations and is responsible for setting policy and appointing administrative personnel.

The reporting entity consists of (a) the primary government (i.e., the Center), and (b) organizations for which the Center is financially accountable. The Center 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 if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Center. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Center. Organizations for which the nature and significance of their relationship with the Center are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

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

B. Government-wide and Fund Financial Statements

The Center’s basic financial statements include both government-wide (reporting the Center as a whole) and fund financial statements (reporting the Center’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Center does not have any business-type activities; only governmental activities.

1. Government-wide Financial Statements

In the Governmental Fund Balance Sheet / Statement of Net Position, the Statement of Net Position column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Center’s net position is reported in two parts – net investment in capital assets and unrestricted net position.

The government-wide focus is on the sustainability of the Center as an entity and the change in the Center’s net position resulting from the current year’s activities.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements

The financial transactions of the Center are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The fund focus is on current available resources and budget compliance.

The Center reports the following governmental funds:

The *General Fund* is the Communications Center's operations.

The *911 Authority Fund* is the emergency telephone service operations.

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

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

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (i.e., 60 days). Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

1. Cash with County Treasurer

The Center's operating cash is deposited with the Treasurer of Yuma County, Colorado. The Treasurer invests the cash in various investments. The Treasurer maintains a separate cash account for the Center.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Due from Other Governments

Due from other governments are receivables from other government organizations.

3. Capital Assets

Capital assets, which include furniture and fixtures, equipment, and software, are reported in the government-wide financial statements. Capital assets are defined by the Center as assets with an initial cost of \$500 or more, and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The Center has no infrastructure.

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

Assets	Years
Furniture and fixtures	5-7
Equipment	3-5
Software	3
SBITA asset	length of debt

4. Compensated Absences

The Center has a policy for the accumulation of personal leave payouts, subject to certain maximum limits. In accordance with GAAP, the Center's approximate liability for personal leave pay earned by employees at December 31, 2024 has been reflected in the government-wide financial statements. The Center 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.

5. Subscriptions

The Center is party to non-cancellable agreements for subscription-based information technology software arrangements ("SBITAs"). In such arrangements, the Center recognizes right-to-use subscription assets (and corresponding subscription liabilities) with an initial, individual value of \$10,000 or more. Right to use-subscription assets and subscription liabilities are reported on the Statement of Net Position.

At the commencement of a subscription, the Center initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Subscriptions (continued)

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

Key estimates and judgments related to subscriptions include how the Authority determines the following:

Discount Rate: The Authority uses the interest rate charged by the subscription service provider as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the subscription service provider is not provided, the Authority uses a combination of an applicable market rate and a credit spread based on market data points as of the most recent quarter-end at subscription initiation.

Subscription Term: The subscription term includes the non-cancellable period of the subscription and extended term(s) that the Authority is reasonably certain to exercise.

Subscription Payments: Subscription payments included in the measurement of the subscription liability are composed of fixed payments. The subscription payments are subject to annual CPI adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

The Center monitors changes in circumstances that would require a re-measurement of its subscriptions and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

6. Pensions

The Center participates in the Local Government Division Trust Fund (the "LGDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF 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.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Pensions (continued)

The Colorado General Assembly passed significant pension reform through Senate Bill ("SB") 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions.

7. Other Post-Employment Benefits ("OPEB") Plan

The Center participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position ("FNP") and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

8. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Center has two items that qualify for reporting under this category. These items are the collective deferred outflows of resources related to the Center's net pension liability and net OPEB liability. Pension and OPEB contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a reduction of the net pension liability or net OPEB liability in future periods, see Notes IV.C and IV.D.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Center has two items that qualify for reporting in this category. These items are the collective deferred inflows of resources related to the Center's net pension liability and net OPEB liability which are amortized over the average service lives of all active and inactive plan members, see Notes IV.C and IV.D.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

9. Categories and Classification of Fund Balance

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note IV.E.

E. Significant Accounting Policies

1. Use of Estimates

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

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund Balance Sheet/Statement of Net Position includes an adjustment column. Explanations of adjustments included in this column are as follows:

Net capital assets used in governmental activities are \$302,491, consisting of \$490,206 of assets net of accumulated depreciation of \$187,715, are not financial resources and, therefore, are not reported in the funds.

Another element of the adjustments is \$287,305 for the long-term deferred outflows of resources, relating to pensions for \$273,618 and relating to OPEB for \$13,687, which are not available for current period expenditures and therefore are not reported in the fund.

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities as of December 31, 2024 are comprised of accrued compensated absences of \$41,755, SBITA liability of \$327,689, net pension and OPEB liabilities of \$488,400 and \$37,753, respectively, and deferred inflows of resources related to pensions of \$1,335 and related to OPEB of \$20,086.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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

B. Explanation of Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities includes an adjustment column. Explanations of the adjustments included in this column are as follows:

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. The contributed capital assets were \$423,350. Similarly, the contribution of liabilities decrease net position in the statement of activities, but do not appear in the governmental funds because they do not use financial resources. The contributed liabilities were \$418,203. Additionally, an interfund transaction of \$100,000 was eliminated at the government-wide level.

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and are not recorded as expenditures in governmental funds. The net change in accrued compensated absences results in a decrease of \$19,146 of salaries and benefits. Additionally, the payment of principal payments on the SBITA liability results in a decrease of debt service expenses of \$90,514.

Governmental funds report capital outlay as expenditures when incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. For the year ended December 31, 2024 the Center had capital outlay of \$0 and depreciation expense of \$120,859.

Other expenses reported in the Statement of Activities that do not require the use of current financial resources include a pension credit expense \$103,083 and OPEB credit expense of \$9,318.

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The Center annually adopts a budget for its General Fund. This formal budgetary integration is employed as a management control device and its level of control is at the fund level. The budget is prepared on a basis consistent with GAAP.

Unlike other governmental entities, the Center is not governed under a legal budgetary calendar per Colorado statutes. However, the Center adheres to the following procedures when adopting its annual budget:

1. Prior to September, management of the Center prepares and submits to the various participating governing bodies of its members a budget detailing the estimated operating expenditures and anticipated revenue.
2. The approval by the individual governing bodies is the appropriating resolution for the budget expenditure level. All appropriations lapse at year end. The level of budgetary controls is at the fund level.

The Center's General Fund had expenditures in excess of appropriations of \$26,763, which may be a violation of Colorado State Statutes.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation 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 which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

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

TABOR also requires local governments to establish emergency reserves to be used only for declared emergencies. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenues.

The Center's management and legal counsel are of the opinion that the Center is not affected by TABOR and that the expenditures of the Center are included in the participating members' TABOR spending limit and emergency reserve calculations. Therefore, the Center has not provided for an emergency reserve at December 31, 2024.

The Center's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds

A. Capital Assets

The Center absorbed the net book value of the member's assets. Capital asset activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, being depreciated/amortized:				
Equipment	\$ 53,417	\$ 6,333	\$ -	\$ 59,7
Software	-	16,634	-	16,6
Furniture and fixtures	13,439	-	-	13,4
SBITA asset	-	400,383	-	400,3
Total capital assets being depreciated/amortized	<u>66,856</u>	<u>423,350</u>	<u>-</u>	<u>490,2</u>
Less accumulated depreciation/amortization for:				
Equipment	(53,413)	-	-	(53,4
Software	-	(16,634)	-	(16,6
Furniture and fixtures	(13,443)	(4,129)	-	(17,5
SBITA asset	-	(100,096)	-	(100,0
Total accumulated depreciation/amortization	<u>(66,856)</u>	<u>(120,859)</u>	<u>-</u>	<u>(187,7</u>
Total capital assets, being depreciated/amortized, net	<u>-</u>	<u>302,491</u>	<u>-</u>	<u>302,4</u>
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ 302,491</u>	<u>\$ -</u>	<u>\$ 302,4</u>

B. Long-term Obligations

1. Changes in Long-term Obligations

	<u>Beginning Balance</u>	<u>Additions (Deletions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Accrued personal time off	\$ 60,901	\$ (19,146)	\$ 41,755	\$ -
SBITA liability	-	327,689	327,689	99,400
Net pension liability (asset)	629,955	(141,555)	488,400	-
Net OPEB liability	41,355	(3,602)	37,753	-
Total Long-term Obligations	<u>\$ 732,211</u>	<u>\$ 163,386</u>	<u>\$ 895,597</u>	<u>\$ 99,400</u>

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

In 2024, the Center recorded a SBITA liability that was contributed as part of the addition of the 911 Authority Fund. The Center assumed a five-year agreement with Motorola that began on January 1, 2023 for subscription radio services. The agreement calls for quarterly payments over five years totaling \$533,688 and bears interest of 2.36%. The future minimum payments as of December 31, 2024 were as follows:

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	99,400	6,858	106,258
2026	108,980	4,428	113,408
2027	119,309	1,765	121,074
	<u>327,689</u>	<u>13,051</u>	<u>340,740</u>

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

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

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

Benefits provided as of December 31, 2023. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of December 31, 2024. Eligible employees of the Center and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2024, through December 31, 2024 are summarized in the table below:

	January 1, 2023 Through December 31, 2023	January 1, 2024 Through December 31, 2024
Employee Contribution Rate	9.00%	9.00%

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

The employer contribution requirements during the period of January 1, 2024, through December 31, 2024, are summarized in the table below:

	January 1, 2023 Through December 31, 2023	January 1, 2024 Through December 31, 2024
Employer Contribution Rate	11.00%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement ("AED") as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement ("SAED") as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.06%	0.08%
Total Employer Contribution rate to the LGDTF	13.74%	13.76%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Center is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Center were \$93,500 for the year ended December 31, 2024.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2023. The Center's proportion of the net pension liability was based on the Center's contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers.

At December 31, 2024, the Center reported a liability of \$448,400 for its proportionate share of the net pension liability.

At December 31, 2023, the Center's proportion was 0.06654%, which was an increase of 0.00370% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Center recognized pension expense of \$(103,083). At December 31, 2024, the Center 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	\$ 26,431	\$ 502
Net difference between projected and actual earnings on pension plan investments	142,615	-
Changes in proportionate share of contributions	11,072	833
Contributions subsequent to the measurement date	93,500	-
	\$ 273,618	\$ 1,335

\$93,500 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended December 31,	Amortization
2025	\$ 37,388
2026	60,400
2027	120,281
2028	(39,286)
	\$ 178,783

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 - 11.30%
Long-term investment rate of return, net of pension plan investments expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06 ¹	Financed by the AIR

¹Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based on the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions (continued)

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based on the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions (continued)

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	<u>100.00%</u>	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
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(Continued)

IV. Detailed Notes on all Funds (continued)

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

Discount rate (continued)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24.967 million and \$1.033 million, respectively.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	\$ 957,319	\$ 488,400	\$ 95,605

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

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

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

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

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

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB(continued)

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Center is statutorily committed to pay the contributions to the HCTF. Employer contributions recognized by the HCTF from the Center were \$6,941 for the year ended December 31, 2024.

OPEB Liability: At December 31, 2024, the Center reported a liability of \$37,753 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. The Center's proportion of the net OPEB liability was based on the Center's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Center's proportion was 0.00529%, which was an increase of 0.00022% from its proportion measured as of December 31, 2022.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Expense and Deferred Outflows of Resources and Deferred inflows of Resources. For the year ended December 31, 2024, the Center recognized OPEB expense of \$(9,318). At December 31, 2024 the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1	\$ 7,739
Changes of assumptions or other inputs	444	4,004
Net difference between projected and actual earnings on pension plan investments	1,168	-
Changes in proportionate share of contributions	5,133	8,343
Contributions subsequent to the measurement date	6,941	-
	\$ 13,687	\$ 20,086

\$6,941 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ended December 31,	Amortization
2025	\$ (5,437)
2026	(3,351)
2027	(2,914)
2028	(1,689)
2029	(106)
2030	157
	\$ (13,340)

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 - 11.30%
Long-term investment rate of return, net of OPEB plan investments expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% for 2023, gradually increasing to 4.50% in 2035
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

¹UnitedHealthcare MAPD PPO plans are 0% for 2023.

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

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Actuarial assumptions (continued)

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Actuarial assumptions (continued)

The 2023 Medicare Part A premium is \$506 (actual dollars) per month

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Actuarial assumptions (continued)

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for Safety Officers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Actuarial assumptions (continued)

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Actuarial assumptions (continued)

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of net OPEB liability	\$ 36,670	\$ 37,753	\$ 38,932

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Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Benefit payments and contributions were assumed to be made at the middle of the year. Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

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Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on all Funds (continued)

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net OPEB liability	\$ 44,592	\$ 37,753	\$ 31,904

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

F. Fund Balance

The Center classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned - includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Directors or its management designee.

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

The Center uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. The Center does not have a formal minimum fund balance policy.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information

A. Risk Management

Yuma County, Colorado (the "County") sponsors the Center as a participant in the following Self-Insurance Pools (the "Pools"). The Pools are groups of other Colorado counties that have associated to obtain various types of insurance.

1. Workers' Compensation Pool

The Center is exposed to various risks of loss related to injuries of employees while on the job. The Center, via the County, joined together with other counties in the State of Colorado to form the County Worker's Compensation Pool ("CWCP"), through County Technical Services, Inc. ("CTSI"), a public entity risk pool currently operating as a common risk management and insurance program for member counties.

The Center pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement that created CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the CWCP will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

2. Colorado Counties Casualty and Property Pool

The Center is exposed to various risks of loss related to property and casualty losses. The Center, via Yuma County, joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool ("CAPP"), also through CTSI, a public entity risk pool currently operating as a common risk management and insurance program for member counties. The Center pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement that created CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the CAPP will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

B. Other Employee Benefits

1. Employee Health Benefits

The Center has health insurance through Yuma County which utilizes the CTSI – County Health Pool to provide health insurance benefits. The County provides basic, major medical, life, voluntary dental and vision coverage to all full-time employees and their eligible dependents. The plan is funded by the Center and employee contributions, and benefits are administered through the CTSI – County Health Pool.

Washington - Yuma Combined Communications Center & 911 Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

B. Other Employee Benefits (continued)

2. Post-employment Health Care Benefits

Center employees covered by COBRA insurance may continue their health insurance following a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the cost of premiums from the termination date of coverage and monthly thereafter. No cost to the Center is recognized as employees reimburse 100% of their premium cost during the extended coverage period.

3. Cafeteria Plan

The Center's employees may participate in Yuma County's cafeteria plan. The County offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: accident and/or term life insurance, health insurance premiums, unreimbursed health expense, and dependent daycare reimbursement. No cost is recognized by the Center as all costs are reimbursed.

C. Concentration

The Center's sources of support are from Washington and Yuma Counties. The revenue sources from these agencies each exceed 10% of the total revenue. The RETAC revenue is for contract services provided to this agency that is reimbursed 100%. The withdrawal of any agency other than RETAC could restrict the operations of the Center.

Washington - Yuma Counties Combined Comm Center & 911 Authority
Notes to the Required Supplementary Information
PERA – Local Government Division Trust Fund
December 31, 2024
(continued)

I. Schedule of the Center's Proportionate Share of the Net Pension Liability

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2022 actuarial valuation:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$24.967 million and \$1.033 million, respectively.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2. Changes since the December 31, 2020 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

3. Changes since the December 31, 2019 actuarial valuation:

- The price inflation assumption was lowered from 2.4% to 2.30%.
- The wage inflation assumption was lowered from 3.5% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
 - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Washington - Yuma Counties Combined Comm Center & 911 Authority
Notes to the Required Supplementary Information
PERA – Local Government Division Trust Fund
December 31, 2024
(continued)

I. Schedule of the Center's Proportionate Share of the Net Pension Liability (continued)

A. Changes to assumptions or other inputs (continued)

3. Changes since the December 31, 2019 actuarial valuation (continued):

- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
 - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

3. Changes since the December 31, 2018 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

4. Changes Since the December 31, 2017 Actuarial Valuation:

- The single equivalent interest rate ("SEIR") was increased from 4.72% to 7.25% to reflect the changes to the projection's valuation basis, which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

5. Changes Since the December 31, 2016 Actuarial Valuation:

- The SEIR was lowered from 5.26% to 4.72% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86% on the prior measurement date to 3.43% on the measurement date.

6. Changes Since the December 31, 2015 Actuarial Valuation:

- The investment return assumption was lowered from 7.5% to 7.25%
- The wage inflation assumption was lowered from 3.90% to 3.50%
- The post-retirement mortality assumption for healthy lives for the School and Denver Public School ("DPS") Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, or males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.

Washington - Yuma Counties Combined Comm Center & 911 Authority
Notes to the Required Supplementary Information
PERA – Local Government Division Trust Fund
December 31, 2024
(Continued)

I. Schedule of the Center’s Proportionate Share of the Net Pension Liability (continued)

A. Changes to assumptions or other inputs (continued)

6. Changes Since the December 31, 2015 Actuarial Valuation (continued):

- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the School Division Trust Fund was lowered from 7.50% to 5.26% to reflect the changes to the projection’s valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

7. Changes Since the December 31, 2014 Actuarial Valuation:

The following programming changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18 month annual increasing timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefits forms.

The following methodology changes were made:

- Recognition of merit salary increase in the first projection year.
- Elimination of the assumptions that 35% of future disabled members to elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

B. Changes of benefit terms

No changes during the years presented above.

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

No changes during the years presented above.

Washington - Yuma Counties Combined Comm Center & 911 Authority
Notes to the Required Supplementary Information
PERA – Local Government Division Trust Fund
December 31, 2024
(Continued)

II. Notes to the Schedule of Center Pension Contributions

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms.

No changes during the years presented above.

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

No changes during the years presented above.

III. Schedule of the Center's Proportionate Share of the Net OPEB Liability

A. Changes since the December 31, 2022 actuarial valuation:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

B. Changes of benefit terms.

No changes during the years presented above.

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

No changes during the years presented above.

IV. Notes to the Schedule of Center OPEB Contributions

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms.

No changes during the years presented above.

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

No changes during the years presented above.

REQUIRED SUPPLEMENTARY INFORMATION



**Washington - Yuma Counties Combined Comm Center & 911 Authority
Schedule of the Center's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association Local Government Trust Fund
Last 10 Fiscal Years**

	Measurement period ending December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Center's portion of the net pension liability	0.066536%	0.062834%	0.064371%	0.082503%	0.074872%	0.073375%	0.074742%	0.079129%	0.085292%	0.094175%
Center's proportionate share of the net pension liability (asset)	488,400	629,955	(55,189)	429,946	547,607	922,475	832,202	1,068,515	939,570	844,101
Center's covered payroll	582,707	549,101	515,607	582,870	515,606	481,260	471,505	479,622	484,397	516,038
Center's proportionate share of the net pension liability as a percentage of its covered payroll	84%	115%	-11%	74%	106%	192%	176%	223%	194%	164%
Plan fiduciary net position as a percentage of the total pension liability	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%

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

Washington - Yuma Counties Combined Comm Center & 911 Authority
Schedule of Center Pension Contributions
Colorado Public Employees' Retirement Association Local Government Trust Fund
Last 10 Fiscal Years

	Fiscal years ending December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	93,500	80,064	69,626	65,379	75,311	65,379	61,024	59,787	60,816	61,421
Actual contributions	<u>(93,500)</u>	<u>(80,064)</u>	<u>(69,626)</u>	<u>(65,379)</u>	<u>(75,311)</u>	<u>(65,379)</u>	<u>(61,024)</u>	<u>(59,787)</u>	<u>(60,816)</u>	<u>(61,421)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Center's covered payroll	679,506	582,707	549,101	515,607	582,870	515,606	481,260	471,505	479,622	484,397
Contributions as a percentage of covered payroll	13.76%	13.74%	12.68%	12.68%	12.92%	12.68%	12.68%	12.68%	12.68%	12.68%

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

**Washington - Yuma Counties Combined Comm Center & 911 Authority
Schedule of the Center's Proportionate Share of the Net OPEB Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years ***

	Measurement period ending December 31,						
	2023	2022	2021	2020	2019	2018	2017
Center's portion of the net OPEB liability	0.005290%	0.005065%	0.005004%	0.006303%	0.005734%	0.005690%	0.005808%
Center's proportionate share of the net OPEB liability	37,753	41,355	43,150	59,893	64,454	77,418	75,479
Center's covered payroll	582,707	549,101	515,607	582,870	515,606	481,260	471,505
Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	6%	8%	8%	10%	13%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2017.

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

Washington - Yuma Counties Combined Comm Center & 911 Authority
Schedule of Center OPEB Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

	Fiscal years ending December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	6,941	5,944	5,259	5,259	5,945	5,259	4,909	4,809
Actual contributions	<u>(6,941)</u>	<u>(5,944)</u>	<u>(5,259)</u>	<u>(5,259)</u>	<u>(5,945)</u>	<u>(5,259)</u>	<u>(4,909)</u>	<u>(4,809)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Center's covered payroll	679,506	582,707	549,101	515,607	582,870	515,606	481,260	471,505
Contributions as a percentage of covered payroll	1.02%	1.02%	0.96%	1.02%	1.02%	1.02%	1.02%	1.02%

* Information is only available beginning in fiscal year 2017.

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