Pension Board of Directors Meeting
March 17, 2026, at 6:00 pm
Hybrid/Virtual: Zoom

AGENDA

I. OPENING OF MEETING
- a. Call to Order
- b. Roll Call
- c. Pledge of Allegiance
- d. Approval of Agenda

II. PUBLIC/MEMBER PARTICIPATION

III. CONSENT AGENDA
- a. December 9, 2025 Pension Board Meeting Minutes

IV. NEW BUSINESS
- a. Fourth Quarter 2025 Financials

V. OLD BUSINESS
- a. Discussion on actuarial study of the current plans.

VI. BOARD MEMBER ITEMS

VII. ADJOURNMENT

Attachments:
December 9, 2025 Pension Board Meeting Minutes
2025 Fourth Quarter Financials
Pension Plan Actuarial Study

Mountain View Fire Webinar
Join from PC, Mac, iPad, or Android:

https://us02web.zoom.us/j/84823008489?pwd=GbAjIqKRltVTDKQs60bOKNvaTF1Kff.1

Passcode: 195122

Board of Pension Trustees Regular Meeting
December 9, 2025, 6:00 p.m.
Hybrid/Virtual: Zoom

Meeting Minutes

I. OPENING OF MEETING

a. Call to Order

The regular meeting of the Pension Board of the Mountain View Fire Protection District was held on December 9, 2025, virtually via Zoom and in person. President Whitlow called the meeting to order at 6:00 p.m.

b. Roll Call

The following Board members were in attendance:
President Whitlow, Director DeVenny, Director Venrick, Director Heisler (virtual), Director Mrla (virtual), and Director Snyder.

Others in attendance:
Chief Pepper Valdez, Deputy Chief Jeff Webb, Director of Administrative Services Pamela Owens, Director of Finance Tonya Olson, Director of Human Resources Amy Lee, Communications Specialist Rick Tillery, and Legal Counsel John Chmil.

c. Pledge of Allegiance

d. Approval of Agenda

Director Venrick moved to approve the agenda as written. It was seconded by Director DeVenny and carried unanimously.

II. PUBLIC/MEMBER PARTICIPATION

None

III. CONSENT AGENDA

Director DeVenny moved to approve the Consent Agenda, which includes the September 9, 2025, Mountain View Pension Board Minutes. Director Snyder seconded the motion, which was carried unanimously.

IV. NEW BUSINESS

a. MVFPD and RMF Combined Volunteer Pension – Third Quarter 2025 Financials

Finance Director Tonya Olson reported on the financials for the Mountain View Volunteer Pension and the Rocky Mountain Fire Volunteer Pension. No questions were asked. Director Mrla moved to approve the Third Quarter 2025 Financials for the MVFPD and RMF Combined Volunteer Pensions. It was seconded by Director Snyder and carried unanimously, followed by a roll call.

V. OLD BUSINESS

a. Discussion on requesting an actuarial study of the current plans.

Director of Administration Pamela Owens reminded the Board that last year, it was proposed to conduct an actuarial study of the two pension plans for Mountain View Fire and Rocky Mountain Fire. Those studies had to be ordered at the beginning of the year, and we missed the deadline. We said we would bring them up again in December. The total cost for the two studies would be $2,800.00. Tonya Olson updated that the study can be used for three different benefit amounts. After discussion, Motion: Trustee Snyder moved to have an actuarial study conducted on the Rocky Mountain Fire Pension Fund with the current benefit of $200.00, a $350.00 benefit rate, and a $500.00 benefit rate. It was seconded by Director Venrick and carried unanimously, followed by a roll call. Action: Pam will have information on the election and vacancies for the March 2026 meeting.

VI. BOARD MEMBER ITEMS

None

VII. ADJOURNMENT

There was no further business to be conducted before the meeting. Director Mrla moved to adjourn at 6:35 p.m. Director Snyder seconded the motion and carried unanimously. The foregoing minutes have been approved by the Mountain View Fire Protection District Pension Board of Directors and constitute the official minutes of the meeting held on the date stated above.

March 17, 2026

Board President Colleen Whitlow Date

March 17, 2026

Board Secretary/Treasurer Todd Venrick Date

Action Items

March 18, 2025

Action: Pam Owens will add 'looking into increasing the volunteer pension payments' to the Pension Board's December agenda. Done

June 17, 2025

None

September 9, 2025

Action: Director of Administration Pam Owens will email the Pension Board Bylaws to all the Directors. Done

December 9, 2025

Action: Tonya will order the actuarial studies and present them at the March 2026 meeting.

Action: Pam will have information on elections and vacancies for the March 2026 meeting, as well as an update on adding a closing date to the Mountain View Pension Fund.

Motions

June 17, 2025
None

September 9, 2025
None

December 9, 2025
Motion: Trustee Snyder moved to have an actuarial study conducted on the Rocky Mountain Fire Pension Fund, with current benefits of $200.00, a $350.00 benefit rate, and a $500.00 benefit rate. It was seconded by Director Venrick and carried unanimously, followed by a roll call.

FPPA | Fire & Police Pension Association of Colorado

MEMORANDUM

To: Affiliated Volunteer Pension Plan Employers - Long Term Pool

From: Peggy Job, Senior Accountant

Re: Year Ending December 31, 2025

Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary

Date: February 19, 2026

Allocation Report

Investment Performance

Your plan assets are commingled for investment purposes in the Members' Benefit Investment Fund – Long Term Pool ("Pool"). Returns for the Pool are as follows (returns for periods longer than one year are annualized):

2025	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	2.78%	13.34%	13.34%	11.10%	7.80%

**FPPA Administrative Expenses* are not included in the *Total Pool Net of Investment Expense* percentages.

The table below summarizes expenses as a percentage of net assets for the Pool:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2025	0.16%	0.88%	1.04%
2024	0.15%	0.75%	0.90%
2023	0.17%	0.83%	1.00%
2022	0.14%	0.80%	0.94%
2021	0.12%	0.81%	0.93%
2020	0.13%	0.79%	0.92%

How to Calculate Your Plan Specific Expense Ratio

Your Allocation Report may reflect expenses specific to your plan such as actuarial expense and legal fees as well as expenses you directed FPPA to pay from your plan assets. These expenses are reflected in the line items *Plan Directed Expenses* and *Direct Expense Allocation*. As such, your plan's administrative expenses may differ from the Pool. In order to calculate your plan's administrative expense ratio, you will need to add the line items *Plan Directed Expenses*, *Direct Expense Allocation* and *Allocated Fees & Expenses* and divide by the *Ending Balance*.

Allocation Methodology

Investment Expenses and *Allocated Fees & Expenses* are separately allocated and separately reported in the Allocation Report. The *Investment Expenses* are allocated to each plan based on the plan's proportion of total assets. The *Allocated Fees & Expenses* are allocated based on the plan's proportion of total membership, including active, inactive and retired members as of December 31 of the prior year as defined by the guidelines within the Annual Comprehensive Financial Report. Member counts may be adjusted during the year for plan affiliation, disaffiliation, or reentry.

Review of the Report

Review the items *Member Contributions, Employer Contributions, Refunds, Affiliations, Net Benefits, Plan Directed Expenses and State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by April 15, 2026. If FPPA does not receive a response April 15, 2026, you are confirming that these report items are correct.**

Annual Contributions Received

FPPA provides a schedule of your 2025 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2025. **Please be aware that this report shows contributions based on the date received by FPPA and does not consider if contributions relate to a prior year.**

Direct Expense Allocation Summary

Direct Expense Allocation

FPPA provides a summary of expenses directly allocated to your plan, payments received related to these expenses and the related annual budgeted amounts. These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Expense Allocation* row of your Allocation Report. You may contact me to request a detailed summary of these allocated expenses.

The direct expense allocation is comprised of costs for audit and actuarial services. The audit services relate to the SOC 1 Type 2 report over the operating effectiveness of FPPA's controls for processing data and transactions related to your plan. The SOC 1 Type 2 report has been provided since 2014 to assist employers in reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. Actuarial services include the biennial funding valuation report (issued in odd years for Volunteer Firefighter plans and even years for Old Hire plans) and the annual GASB 68 report. Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Eide Bailly LLP.

Payment of Settlor Expenses

Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If you agree, you should reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarially determined contribution).

To reimburse the plan for these costs, please send payment via ACH or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense. Please contact FPPA for ACH or wire Instructions.

If you have any questions regarding your allocation report or the direct allocated plan expenses, please call me at 303-770-3772 in Metro Denver or 800-332-3772 or email me at pjob@fppaco.org.

Allocation Report Descriptions

This report provides the beginning of year plan balance, year-to-date totals, and an ending plan balance as of the report date

Beginning Balance	Plan assets at the beginning of the year
Plan Direct Inflows and Outflows	
Member Contributions	Member Contributions made to the plan
Employer Contributions	Employer Contributions made to the plan
Contributions from the SWDD Plan	Contributions received for a member on disability rolling to a normal retirement
Refunds	Member withdrawal of funds from the plan
Affiliations/(Disaffiliations)	Plan affiliation or disaffiliation or idle funds distribution (typically a Volunteer Fire Plan matter)
Net Benefits	Benefits paid to retired members
Plan Directed Expenses	Payments from plan assets directed by the department Examples: legal, actuarial, and insurance expense
State Funding	State funding for volunteer plans
Plan Direct Inflows and Outflows Sub-Total	Sub-Total of the above activity
Allocated Income and Expense	
Interest*	Interest on investments
Dividends*	Dividends on investments
Other Income*	Other investment income
Net Change Accrued Income*	Change in accrued earnings for interest and dividends
Unrealized Gain/Loss*	Unrealized Gain/Loss on investments
Realized Gain/Loss*	Realized Gain/Loss on investments
Defined Contribution Earnings (Net)	Not applicable for Defined Benefit plans
Investment Expenses	Allocated share of FPPA investment expense
Direct Expense Allocation	Expenses directly allocated to the plan Examples: actuarial and audit fees
Other Expenses	Allocated share of FPPA administrative expense
Allocated Income and Expense Sub-Total	Sub-Total of the above activity
Ending Balance	Plan assets at period end

** Allocated from the Fire & Police Members' Benefit Investment Fund – Long Term Pool.*

Fire and Police Pension Association
Mountain View FPD Volunteers 516-5
For the Twelve Months Ending December 31, 2025

Beginning Balance	$2,205,159.08
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	($199,738.06)
Plan Directed Expenses	
State Funding	$80,324.00
Plan Direct Inflows and Outflows Sub-Total	($119,414.06)
Allocated Income and Expense	
Interest	$15,764.15
Dividends	$12,135.51
Other Income	$5,317.22
Net Change Accrued Income	($417.20)
Unrealized Gain/Loss	$65,563.26
Realized Gain/Loss	$195,433.97
Defined Contribution Earnings (Net)	
Investment Expenses	($19,624.68)
Direct Expense Allocation	($1,781.57)
Other Expenses	($23,405.67)
Allocated Income and Expense Sub-Total	$248,984.99
Ending Balance	$2,334,730.01

Fire and Police Pension Association
Rocky Mountain VFD 7101-5
For the Twelve Months Ending December 31, 2025

Beginning Balance	$199,434.22
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	($50,760.00)
Plan Directed Expenses	
State Funding	$34,113.00
Plan Direct Inflows and Outflows Sub-Total	($16,647.00)
Allocated Income and Expense	
Interest	$1,423.03
Dividends	$1,093.76
Other Income	$454.30
Net Change Accrued Income	($41.01)
Unrealized Gain/Loss	$6,539.34
Realized Gain/Loss	$17,787.12
Defined Contribution Earnings (Net)	
Investment Expenses	($1,767.49)
Direct Expense Allocation	($1,437.64)
Other Expenses	($9,220.46)
Allocated Income and Expense Sub-Total	$14,830.95
Ending Balance	$197,618.17

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions
MOUNTAIN VIEW FPD 516-5

For the Reporting Period: 01/01/2025 through 12/31/2025

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
05/22/2025	$0.00	$29,361.00	$29,361.00
12/09/2025	$0.00	$50,963.00	$50,963.00
Total Remittance			$80,324.00
Calculated Contribution per the 01/01/2023 Actuarial Study			$41,466.00
Difference Over/(Under)			**$38,858.00**

Note: The Calculated Contribution amount is due to FPPA before 12/31/2025

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions
ROCKY MOUNTAIN VFD 7101-5

For the Reporting Period: 01/01/2025 through 12/31/2025

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
05/22/2025	$0.00	$34,113.00	$34,113.00
Total Remittance			$34,113.00
Calculated Contribution per the 01/01/2023 Actuarial Study			$36,260.00
Difference Over/(Under)			**$(2,147.00)**

Note: The Calculated Contribution amount is due to FPPA before 12/31/2025

Fire and Police Pension Association
Direct Expense Allocation Summary
Mountain View FPD Volunteers 516-5
For the Twelve Months Ending December 31, 2025

Type of Expense	2025 Budget	Year-to-Date Expenses	Payment of 2025 Expenses
Actuarial Expenses	$1,261.92	$1,600.43	
Audit Expenses	$168.40	$181.14	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	**$1,430.32**	**$1,781.57**	

Actuarial expenses may exceed the budget related to asset allocation studies and implementation.

Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.

Fire and Police Pension Association
Direct Expense Allocation Summary
Rocky Mountain VFD 7101-5
For the Twelve Months Ending December 31, 2025

Type of Expense	2025 Budget	Year-to-Date Expenses	Payment of 2025 Expenses
Actuarial Expenses	$1,461.84	$1,256.50	
Audit Expenses	$168.40	$181.14	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	**$1,630.24**	**$1,437.64**	

Actuarial expenses may exceed the budget related to asset allocation studies and implementation.

Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.

FPPA | Fire & Police Pension Association of Colorado

MEMORANDUM

To: Affiliated FPPA Old Hire Pension Plan and Affiliated Volunteer Pension Plan Employers-Short Term Pool

From: Peggy Job, Senior Accountant

Re: Year Ending December 31, 2025

Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary

Date: February 19, 2026

Allocation Report

Investment Performance

Your plan assets are commingled for investment purposes in the Members' Benefit Investment Fund – Short-Term ("Pool"). Returns for the Pool are as follows:

2025	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	1.31%	8.92%	8.92%	6.74%	1.53%

**FPPA Administrative Expenses* are not included in the *Total Pool Net of Investment Expense* percentages.

The table below summarizes expenses as a percentage of net assets for the Pool as of December 31:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2025	0.26%	0.59%	0.85%
2024	0.16%	0.45%	0.61%
2023	0.18%	0.40%	0.58%
2022	0.16%	0.34%	0.51%
2021	0.13%	0.52%	0.65%
2020	0.12%	0.30%	0.42%

How to Calculate Your Plan Specific Expense Ratio

Your Allocation Report may reflect expenses specific to your plan such as actuarial expense and legal fees as well as expenses you directed FPPA to pay from your plan assets. These expenses are reflected in the line items *Plan Directed Expenses* and *Direct Expense Allocation*. As such, your plan's administrative expenses may differ from the Pool. In order to calculate your plan's administrative expense ratio, you will need to add the line items *Plan Directed Expenses*, *Direct Expense Allocation* and *Allocated Fees & Expenses* and divide by the *Ending Balance*.

Allocation Methodology

Investment Expenses and *Allocated Fees & Expenses* are separately allocated and separately reported in the Allocation Report. The *Investment Expenses* are allocated to each plan based on the plan's proportion of total assets. The *Allocated Fees & Expenses* are allocated based on the plan's proportion of total membership, including active, inactive and retired members as of December 31 of the prior year as defined by the guidelines within the Annual Comprehensive Financial Report. Member counts may be adjusted during the year for plan affiliation, disaffiliation, or reentry.

Review of the Report

Review the items *Member Contributions, Employer Contributions, Refunds, Affiliations, Net Benefits, Plan Directed Expenses and State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by April 15, 2026. If FPPA does not receive a response April 15, 2026 you are confirming that these report items are correct.**

Annual Contributions Received

FPPA provides a schedule of your 2025 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2025. **Please be aware that this report shows contributions based on the date received by FPPA and does not consider if contributions relate to a prior year.** All required contributions were due to FPPA before December 31, 2025 to be included in this report.

Direct Expense Allocation Summary

Direct Expense Allocation

FPPA provides a summary of expenses directly allocated to your plan, payments received related to these expenses and the related annual budgeted amounts. These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Expense Allocation* row of your Allocation Report. You may contact me to request a detailed summary of these allocated expenses.

The direct expense allocation is comprised of costs for audit and actuarial services. The audit services relate to the SOC 1 Type 2 report over the operating effectiveness of FPPA's controls for processing data and transactions related to your plan. The SOC 1 Type 2 report has been provided since 2014 to assist employers in reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. Actuarial services include the biennial funding valuation report (issued in odd years for Volunteer Firefighter plans and even years for Old Hire plans) and the annual GASB 68 report. Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Eide Bailly LLP.

The Colorado Revised Statutes allow FPPA to allocate expenses that are directly related to the administration of the local affiliated plans from those plan's assets. For additional information, please see C.R.S. 31-31-701(7)(a)(VI).

Payment of Settlor Expenses

Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If you agree, you should reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarially determined contribution).

To reimburse the plan for these costs, please send payment via ACH or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense. Please contact FPPA for ACH or wire Instructions.

If you have any questions regarding your allocation report or the direct allocated plan expenses, please call me at 303-770-3772 in Metro Denver or 800-332-3772 or email me at pjob@fppaco.org.

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Employer Contributions	Employer Contributions made to the plan
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Refunds	Member withdrawal of funds from the plan
Affiliations	Plan affiliation or disaffiliation or idle funds distributions (typically a Volunteer Fire Plan matter)
Net Benefits	Benefits paid to retired members
Plan Directed Expenses	Payments from plan assets directed by the department Examples: legal, actuarial, and insurance expense
State Funding	State funding for volunteer plans
Plan Direct Inflows and Outflows Sub-Total	Sub-Total of the above activity
Allocated Income and Expense	
Interest*	Interest on investments
Dividends*	Dividends on investments
Other Income*	Other investment income
Net Change Accrued Income*	Change in accrued earnings for interest and dividends
Unrealized Gain/Loss*	Unrealized Gain/Loss on investments
Realized Gain/Loss*	Realized Gain/Loss on investments
Defined Contribution Earnings (Net)	Not applicable for Defined Benefit plans
Investment Expenses	Allocated share of FPPA investment expense
Direct Expense Allocation	Expenses directly allocated to the plan Examples: actuarial and audit fees
Other Expenses	Allocated share of FPPA administrative expense
Allocated Income and Expense Sub-Total	Sub-Total of the above activity
Ending Balance	Plan assets at period end

* Allocated from the Fire & Police Members' Benefit Investment Fund – Short-Term Pool

Fire and Police Pension Association
Mountain View FPD Old Hire Plan 516-4
For the Twelve Months Ending December 31, 2025

Beginning Balance	$30,238.03
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	$44,430.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	($63,417.96)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	($18,987.96)
Allocated Income and Expense	
Interest	$806.62
Dividends	$81.45
Other Income	$67.83
Net Change Accrued Income	($22.91)
Unrealized Gain/Loss	$961.14
Realized Gain/Loss	$754.40
Defined Contribution Earnings (Net)	
Investment Expenses	($149.77)
Direct Expense Allocation	($874.82)
Other Expenses	($354.62)
Allocated Income and Expense Sub-Total	$1,269.32
Ending Balance	$12,519.39

FIRE AND POLICE PENSION ASSOCIATION
OLD HIRE CONTRIBUTION SUMMARY
0376_MOUNTAIN VIEW FPD
12/31/2025

Contribution Amounts Received:	
January	$0.00
February	0.00
March	0.00
April	25,000.00
May	0.00
June	19,430.00
July	0.00
August	0.00
September	0.00
October	0.00
November	0.00
December	0.00
Total Contributions Paid	$44,430.00

Required Contribution per 1/1/2024 actuarial valuation/implemented supplemental study:	$44,430.00
Difference Over (Under) between Required Amount and Receipts:	$0.00

The Annual Required Contribution Amount must be received and posted by 12/31/2025

Fire and Police Pension Association
Direct Expense Allocation Summary
Mountain View FPD Old Hire Plan 516-4
For the Twelve Months Ending December 31, 2025

Type of Expense	2025 Budget	Year-to-Date Expenses	Payment of 2025 Expenses
Actuarial Expenses	$693.72	$693.72	
Audit Expenses	$168.40	$181.10	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	**$862.12**	**$874.82**	

Actuarial expenses may exceed the budget related to asset allocation studies and implementation.

Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.

FIRE AND POLICE PENSION ASSOCIATION ROCKY MOUNTAIN VOLUNTEER FIRE DEPARTMENT PENSION FUND

ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2025

P: 469.524.0000 | www.grsconsulting.com

To:	Administrative Heads and Finance Officers of Rocky Mountain Volunteer Fire Department; administered by FPPA
Date:	July 2025
Subject:	**Actuarial Valuation Results as of January 1, 2025**

This report contains the actuarial valuation results as of January 1, 2025 for your department as determined by Gabriel, Roeder, Smith & Company (GRS), actuary for the Fire and Police Pension Association (FPPA). Questions about this report should be directed to FPPA, rather than to Gabriel, Roeder, Smith & Company.

Financing Objectives

This valuation was prepared to determine if the current annual assumed contributions of $34,292 are adequate for funding the current benefits provided by the department. Contributions into the pension fund can come from two sources: contributions directly from the department and contributions from the State based on assessed property values and other formulas. The "Assumed Contribution" referred to throughout this report is the sum of the contributions from the aforementioned two sources. The current contribution amount is not sufficient to meet the financing objectives of the plan.

The calculated annual contribution shown in Table 3 is the sum of the normal cost, an amount available to amortize the Unfunded Actuarial Accrued Liability (UAAL), and any ongoing administrative and miscellaneous expenses that are paid out of the pension fund. The minimum contribution the department must pay is the calculated annual contribution, but not less than $0.

Benefit Provisions

This actuarial valuation reflects the provisions that were applicable to the Rocky Mountain Volunteer Fire Department Pension Fund as of the valuation date. The details of the actuarial calculations, based on the current benefit provisions, are described in this report. Departments are allowed to model three alternative benefit packages, if desired. If alternatives were requested, a summary of the actuarial results based on those packages is shown in Table 16. A summary of the alternatives requested is shown in Table 15. If an alternative is adopted that increases the calculated annual contribution, the new calculated annual contribution will become effective beginning January 1, 2026.

This actuarial valuation is based upon coverage data given in the required checklist, which was completed by the department, returned to FPPA, and supplied to GRS. Any changes in coverage adopted but not included in the required checklist are not reflected in the current results. Once the adopted coverage data is provided, subsequent valuation results will be reflective of the change in coverage.

Actuarial Assumptions and Methods

This actuarial valuation uses the assumptions and methods that were adopted by the Board of Directors of FPPA based upon the actuary's analysis and recommendations resulting from the 2022 Experience Study and first effective in the January 1, 2023 valuations. A 10-year closed amortization of benefit improvements was first effective in this January 1, 2025 valuation. A summary of those assumptions and methods can be found in Table 14.

This plan was recently identified as one which will likely meet certain plan maturity metrics within the next decade. Once the plan meets those conditions, the assets will be moved to the Short-Term Asset Allocation Pool. As a result, the investment return assumption was lowered to 6.0% which reflects a blend of expectations for the current Long-Term Asset Allocation Pool and the anticipated Short-Term Asset Allocation Pool.

Liabilities were determined under the Entry Age Normal actuarial cost method. This is the same funding method that has been used in prior years.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated annual contribution and funding periods. The actuarial calculations are intended to provide information for rational decision making.

This report is prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report does not include a detailed assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

The calculated employer contribution consists of the sum of three pieces: the normal cost, the amortization of the Unfunded Actuarial Accrued Liability (UAAL), and any administrative and other ongoing expenses to be paid out of the pension fund (e.g. insurance contracts). The calculated annual contribution is shown in Table 3, Item 9. The normal cost (shown in detail in Table 3, Item 1) can be viewed as the regular, ongoing cost of the plan. The UAAL is the amount by which the actuarial value of assets falls short of, or exceeds, the actuarial accrued liability for this plan. The UAAL has been amortized under a level dollar method over 20 years. The required payment to amortize the UAAL in 20 years is shown in Table 3, Item 7.

Assets

Table 10, Item 2 shows the market and actuarial values of assets for this department. The actuarial value is an adjusted market value. It reflects only a portion of the excess (or shortfall) between recent investment returns and the corresponding expected returns based on the annual investment return assumption. The actuarial value recognizes 20% of the difference between the projected actuarial value and the market value at the valuation date. This smoothed average approach dampens the year-to-year fluctuations in the calculated annual contribution.

Member Data

Member data as of January 1, 2025 was supplied by FPPA, as verified by the department. GRS did not subject the data to any auditing procedures but reviewed it and tested it for reasonableness and consistency. The member count is shown in Table 10, Item 1. This count includes members who have worked for this employer at one time, but who are now active at another employer. Your share of the benefits for such former employees is reflected in the liabilities and in the contribution calculation. The number of retirees shown includes those who retired from this employer, as well as those who retired from another employer but has service attributed to this employer. The liabilities take into account your share of the benefits for these former, active members.

Experience

During the two year period since the prior valuation, the plan experienced liability losses and asset losses due to actual experience deviating from assumptions. Table 5 details the changes in the UAAL and the calculated annual contribution since the prior valuation.

Actuarial experience is measured by comparing the expected valuation results with the actual valuation results at the valuation date. The expected valuation results are calculated as if all of the actuarial assumptions had been met.

- A Gain/(Loss) attributable to Investment Experience is realized when the pension fund assets earn over/(under) the actuarial assumed earnings rate.

- A Gain/(Loss) attributable to Membership Changes is realized when the pension fund liabilities are less/(greater) than the actuarial assumptions predicted (e.g. higher terminations, members remaining after eligible for normal retirement benefits, members not living as long as expected). See Table 14 for a description of the actuarial assumptions.

- A Gain/(Loss) attributable to Benefit Improvements is realized when benefit level improvements have been adopted since the prior valuation.

GASB Accounting

Employer reporting information for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is provided in a separate report.

Tables

This report includes one executive summary and up to sixteen tables.

- The executive summary includes a condensed summary of the demographic, financial, and actuarial data.
- Table 1 is a comparison of the actuarial results of the report based on the current benefit provisions and the state match calculation if requested.
- Table 2 is a summary of the current benefit provisions and the state match calculation if requested.
- Table 3 provides the details of the development of the required contribution.

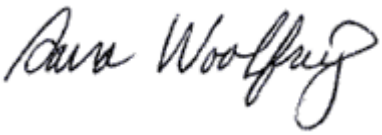
- Table 4 shows the actuarial present value of future benefits, broken down by membership category and type of benefit.
- Table 5 shows the sources of change in the calculated annual contribution since the prior valuation.
- Table 6 provides information that used to be required under the Governmental Accounting Standards Board Statement No. 25 (GASB 25) and No. 27 (GASB 27). These statements have been replaced by GASB 67 and GASB 68 and results under those standards will be provided in a separate report.
- Tables 7 thru 9 show the development of the financial information.
- Tables 10 and 11 show historical actuarial and demographic data for the department.
- Table 12 shows the current distribution of the membership by age and service.
- Table 13 shows the risks associated with measuring the accrued liability and actuarially determined contribution.
- Table 14 shows the actuarial assumptions and methods used to calculate the liabilities.
- Table 15 is a summary of the alternative benefit provisions requested, if any.
- Table 16 is a comparison of the actuarial results of the report based on the alternative benefit provisions requested, if any.
- Appendix provides definitions of several terms used throughout the report.

Certification

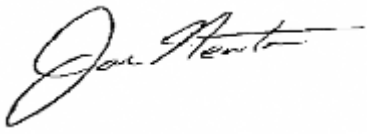
We certify that the information included herein and contained in the 2025 Actuarial Valuation Report is accurate and fairly presents the actuarial position of the Rocky Mountain Volunteer Fire Department Pension Fund as of January 1, 2025.

All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, the results presented comply with the requirements of the State of Colorado statutes and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. Mr. Newton and Mrs. Woolfrey are members of the American Academy of Actuaries, and are also Enrolled Actuaries. They are experienced in performing valuations for public retirement systems.

Respectfully submitted,
Gabriel Roeder Smith & Company



Dana Woolfrey, FSA, EA, MAAA
Senior Consultant



Joseph Newton, FSA, EA, MAAA
Senior Consultant

Executive Summary

Item	Valuation as of January 1, 2025	Valuation as of January 1, 2023
Membership		
• Number of:		
- Active members	0	0
- Retired Members	24	24
- Disabled members	0	0
- Beneficiaries	2	2
- Terminated vested members	0	0
- Terminated members active in another fund	0	0
- Total	26	26
Assets		
• Market value	$ 199,434	$ 179,105
• Actuarial value	197,830	184,820
• Employer contribution for prior year	34,292	37,904
• Employer contribution for prior year minus 1	37,904	0
• Ratio of actuarial value to market value	99%	103%
Actuarial Information		
• Employer normal cost	$ 0	$ 0
• Normal cost per active member		
• Unfunded actuarial accrued liability / (Surplus)	332,206	329,147
• Calculated annual contribution	37,805	34,292
• Assumed contribution from department	34,292	37,904
• Assumed contribution from state	0	34,114
• Funding period based on assumed contributions	26 years	7 years
• Funded ratio	37%	36%
• Funded ratio based on market value	38%	35%
• Is current level of contributions adequate	No	Yes

Table 1 - Comparison of Actuarial Results Based on Alternate Benefit Levels

		Current Plan (1)	State Match Calc (2)
1.	Normal Retirement Benefit	$ 200.00	$ 300.00
2.	Normal Cost	0	0
3.	Present Value of Future Benefits	530,036	791,937
4.	Actuarial Accrued Liability	530,036	791,937
5.	Unfunded Accrued Liability / (Surplus)	332,206	594,107
6.	Administrative and other ongoing expenses	9,374	9,374
7.	Total Annual Calculated Contribution	37,805	61,981
8.	Assumed Contribution	34,292	34,292
9.	Funding Period Based on Assumed Contribution	26 years	Never
10.	Funded Ratio	37%	25%

Table 2 - Actuarial Valuation Information Checklist

	Current Plan	State Match Calc	Maximum Per State Statute
1. Normal Retirement Benefit (monthly):			
a. Regular	$200.00	$300.00	None
b. Extended Service Amount Per Year of Service	$0.00	$0.00	5% of Regular, for 10 Additional years
2. Vested Retirement Benefit (monthly):			
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	$10.00	$15.00	Pro rata Share of Regular
b. Minimum Vesting Years	10	10	20 Years
3. Disability Retirement Benefit (monthly):			
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	$0.00	$150.00	½ of Regular or $225, whichever is greater
b. Long Term Disability for line of duty injury Lifetime Benefit	$100.00	$300.00	Regular or $450 whichever is greater
4. Survivor Benefits (monthly):			
a. Following Death before Retirement Eligible; Due to death in the line of duty as a volunteer firefighter	$100.00	$150.00	½ of Regular or $225, whichever is greater
b. Following Death after Normal Retirement	$100.00	$150.00	50% of Regular
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	$0.00	$0.00	50% of Extended
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	$5.00	$7.50	50% of Vested
e. Following Death after Disability Retirement	$50.00	$150.00	50% of Long Term
f. Optional Survivor Benefits in lieu of 4a-e Following Death before or after Retirement Eligible due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	$0.00	$0.00	100% of Regular
5. Funeral Benefit (Required Benefit):			
a. Funeral Benefit Lump Sum, one time only	$200.00	$100.00	2 times Regular

Note: The plan is closed to new members.

Table 3 - Development of Annual Required Contribution

		Valuation as of 01/01/2025	Valuation as of 01/01/2023
		(1)	(2)
1.	Total normal cost	$ 0	$ 0
2.	Actuarial accrued liability for active members		
	a. Present value of future benefits for active members	$ 0	$ 0
	b. Less: present value of future normal costs	0	0
	c. Actuarial accrued liability	$ 0	$ 0
3.	Total actuarial accrued liability for:		
	a. Retirees and beneficiaries members	$ 530,036	$ 513,967
	b. Inactive members	0	0
	c. Active members (Item 2c)	0	0
	d. Total	$ 530,036	$ 513,967
4.	Actuarial value of assets	$ 197,830	$ 184,820
5.	Unfunded actuarial accrued liability / (Surplus) (Item 3 - Item 4)	$ 332,206	$ 329,147
6.	Funded Ratio*	37%	36%
7.	Required Payment to amortize the UAAL over the next 20 years	$ 28,431	$ 26,718
8.	Administrative and other ongoing expenses	$ 9,374	$ 7,574
9.	Calculated annual contribution (Item 1 + Item 7 + Item 8)	$ 37,805	$ 34,292
10.	Assumed contribution		
	a. Budgeted department contribution	$ 34,292	$ 37,904
	b. Expected state funding	0	34,114
	c. Total assumed contribution	$ 34,292	$ 72,018
11.	Funding period based on assumed contribution	26 years	7 years

* The funded status measure may be appropriate for assessing the need for future contributions. The funded status is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

Table 4 - Actuarial Present Value of Future Benefits

		Valuation as of 01/01/2025	Valuation as of 01/01/2023
		(1)	(2)
1.	Active members		
	a. Retirement benefits	$ 0	$ 0
	b. Vested retirement benefits	0	0
	c. Death benefits	0	0
	d. Disability benefits	0	0
	e. Total	$ 0	$ 0
2.	Retired members		
	a. Service retirements	$ 502,137	$ 487,417
	b. Disability retirements	0	0
	c. Beneficiaries	27,899	26,550
	d. Total	$ 530,036	$ 513,967
3.	Terminated vested members*	$ 0	$ 0
4.	Total actuarial present value of future benefits	$ 530,036	$ 513,967

* Includes members active in another fund that have 'portable benefits' per the Colorado statutory requirements, if applicable.

Table 5 - Actuarial Experience

Change in UAAL

1.	Unfunded actuarial accrued liability (UAAL) as of January 1 of prior valuation year	$	329,147
2.	Total normal cost and administrative expenses for FY2023 & FY2024		18,748
3.	Contributions during FY2023		(72,018)
4.	Contributions during FY2024		(34,292)
5.	Interest at 7.00%		40,143
6.	Expected UAAL as of this valuation (1. + 2. + 3. + 4. + 5.)	$	281,728
7.	Actual UAAL at end of period	$	332,206
8.	Actuarial gain/(loss) for the period (6. - 7.)	$	(50,478)
	SOURCE OF GAINS/(LOSSES)		
9.	Asset gain/(loss)	$	(132)
10.	Benefit changes		0
11.	Assumption changes		(40,213)
12.	Net liability gain/(loss) for the period (8. - 9. - 10. – 11.)	$	(10,133)

Change in Calculated Annual Contribution

1.	Calculated annual contribution 2023			$	34,292
2.	Expected changes (Contributions, Interest, etc)	$	880		
3.	Benefit changes		0		
4.	Assumption/method changes		3,712		
5.	Investment experience		12		
6.	Change in normal cost		0		
7.	Other experience		(1,091)		
8.	Total change	$	3,513		
9.	Calculated annual contribution 2025			$	37,805

Table 6 - History of Employer Contributions

The calculated annual contribution is the sum of the normal cost, the amortization of the UAAL, and the administrative expenses.

The following exhibit shows a history of the calculated annual contributions and the actual contributions made to the Plan.

Fiscal Year Ending	Calculated Annual Contribution*	Actual Contribution	Percent
(1)	(2)	(3)	(4)
December 31, 2015	$ 13,569	$ 8,000	59%
December 31, 2016	$ 12,659	$ 0	0%
December 31, 2017	$ 12,659	$ 0	0%
December 31, 2018	$ 18,150	$ 5,000	28%
December 31, 2019	$ 18,150	$ 9,500	52%
December 31, 2020	$ 29,978	$ 5,000	17%
December 31, 2021	$ 29,978	$ 9,000	30%
December 31, 2022	$ 37,904	$ 37,904	100%
December 31, 2023	$ 72,018	$ 72,018	100%
December 31, 2024	$ 34,292	$ 34,292	100%
December 31, 2025	$ 34,292	N/A	

* Based on the greater of the actual/assumed contribution and the calculated annual contribution. If the actual contributions are different, this exhibit will need to be adjusted.

Table 7 - Reconciliation of Net Plan Assets

		Year Ending 12/31/2024 (1)	Year Ending 12/31/2023 (2)
1.	Market value of assets at beginning of year	$ 207,307	$ 179,105
2.	Revenue for the year		
a.	Plan direct inflows		
i.	Employer contributions	$ 34,292	$ 37,904
ii.	State funding	0	34,114
iii.	Affiliations	0	0
iv.	Plan directed expenses	0	0
v.	Total	$ 34,292	$ 72,018
b.	Allocated income		
i.	Interest	$ 1,281	$ 1,108
ii.	Dividends	927	839
iii.	Other income	432	157
iv.	Net change accrued income	(31)	94
v.	Unrealized gain/(loss)	8,408	13,175
vi.	Realized gain/(loss)	7,645	3,094
vii.	Total	$ 18,662	$ 18,467
c.	Total Revenue (Item 2a + Item 2b)	$ 52,954	$ 90,485
3.	Expenditures for the year		
a.	Net benefits	$ 50,760	$ 50,760
b.	Allocated expense		
i.	Investment expenses	$ 1,426	$ 1,416
ii.	Direct expense allocation	511	1,608
iii.	Allocated fees and expenses	8,130	8,499
iv.	Total allocated expenditures	$ 10,067	$ 11,523
4.	Increase/(Decrease) in net assets (Item 2c - Item 3a - Item 3b)	$ (7,873)	$ 28,202
5.	Market value of assets at end of year (Item 1 + Item 4)	$ 199,434	$ 207,307

Table 8 - Development of Actuarial Value of Assets

	Year Ending 12/31/2024 (1)	Year Ending 12/31/2023 (2)
1. Actuarial value of assets at beginning of year	$ 208,801	$ 184,820
2. Cash flow for the year		
a. Contributions	$ 34,292	$ 37,904
b. State funding	0	34,114
c. Affiliation contributions	0	0
d. Net benefits	(50,760)	(50,760)
e. Administrative and other ongoing expenses	(8,641)	(10,107)
f. Net cash flow	$ (25,109)	$ 11,151
3. Expected investment earnings	$ 13,737	$ 13,328
4. Expected actuarial value of assets at end of year	$ 197,429	$ 209,299
5. Actual market value of assets at end of year	$ 199,434	$ 207,307
6. Excess earnings/(shortfall)	$ 2,005	$ (1,992)
7. Excess earnings/(shortfall) recognized (Table 9, Item 6)	$ 401	$ (498)
8. Final actuarial value of assets (Item 4 + Item 7)	$ 197,830	$ 208,801

Table 9 - Development of Amounts to be Recognized in the Actuarial Value of Assets

	Year Ending 12/31/2024 (1)	Year Ending 12/31/2023 (2)
1. Remaining deferrals of excess (shortfall) of investment income from prior years		
a. Current year - 4	$ 0	$ 0
b. Current year - 3	0	0
c. Current year - 2	(1,494)	0
d. Current year - 1	0	(5,715)
e. Total	$ (1,494)	$ (5,715)
2. Current year (Table 8, Item 6 - Table 9, Item 1)	$ 3,499	$ 3,723
3. Amounts to be immediately recognized due to an offsetting experience		
a. Current year - 4	$ 0	$ 0
b. Current year - 3	0	0
c. Current year - 2	1,494	0
d. Current year - 1	0	3,723
e. Current year	(1,494)	(3,723)
f. Total	$ 0	$ 0
4. Remaining prior year deferrals		
a. Current year - 4	$ 0	$ 0
b. Current year - 3	0	0
c. Current year - 2	0	0
d. Current year - 1	0	(1,992)
e. Current year	2,005	0
f. Total	$ 2,005	$ (1,992)
5. Deferral of excess (shortfall) of investment income for:		
a. Current year - 4	$ 0	$ 0
b. Current year - 3	0	0
c. Current year - 2	0	0
d. Current year - 1	0	(1,494)
e. Current year	1,604	0
f. Total	$ 1,604	$ (1,494)
6. Total amount recognized in actuarial value of assets (Item 3.f + Item 4.f. - Item 5.f.)	$ 401	$ (498)

Table 10 - Historical Summary

	Valuation as of 01/01/2025	Valuation as of 01/01/2023	Valuation as of 01/01/2021
	(1)	(2)	(3)
1. Member Data			
a. Active Members	0	0	0
b. Retired Members	24	24	23
c. Disabled Members	0	0	0
d. Beneficiaries	2	2	2
e. Terminated Vested Members	0	0	1
f. Terminated Members Active in Another Fund	0	0	0
g. Total Members	26	26	26
h. Average Age – Actives Only	N/A	N/A	N/A
i. Average Service – Actives Only	N/A	N/A	N/A
2. Financial Data			
a. Market Value of Assets	$ 199,434	$ 179,105	$ 231,923
b. Actuarial Value of Assets	$ 197,830	$ 184,820	$ 221,777
3. Actuarial Data			
a. Accrued Liability	$ 530,036	$ 513,967	$ 529,242
b. Unfunded Accrued Liability / (Surplus)	$ 332,206	$ 329,147	$ 307,465
c. Normal Cost			
i. Total Amount	$ 0	$ 0	$ 0
ii. Amount per Active Member	0	0	0
d. Amortization Contribution			
i. Total Amount	$ 28,431	$ 26,718	$ 31,418
ii. Amount per Active Member	0	0	0
e. Administrative and Ongoing Expenses			
i. Total Amount	$ 9,374	$ 7,574	$ 6,486
ii. Amount per Active Member	0	0	0
f. Calculated Annual Contribution			
i. Total Amount	$ 37,805	$ 34,292	$ 37,904
ii. Amount per Active Member	0	0	0

Table 11 - Membership Data

	01/01/2025	01/01/2023	01/01/2021
	(1)	(2)	(3)
1. Active members			
a. Number	0	0	0
b. Average age	N/A	N/A	N/A
c. Average service	N/A	N/A	N/A
2. Service retirees			
a. Number	24	24	23
b. Total annual benefits	$ 48,360	$ 48,360	$ 47,160
c. Average annual benefit	$ 2,015	$ 2,015	$ 2,050
d. Average age	70.8	68.8	67.6
3. Disabled retirees			
a. Number	0	0	0
b. Total annual benefits	$ 0	$ 0	$ 0
c. Average annual benefit	$ 0	$ 0	$ 0
d. Average age			
4. Beneficiaries and spouses			
a. Number	2	2	2
b. Total annual benefits	$ 2,400	$ 2,400	$ 2,400
c. Average annual benefit	$ 1,200	$ 1,200	$ 1,200
d. Average age	66.0	64.0	62.0
5. Terminated vested members			
a. Number	0	0	1
b. Average age			49.0
6. Terminated members active in another fund	0	0	0
7. Total number of members	26	26	26

Table 12 - Distribution of Membership by Age and Service

	Retirees		Disabled Members		Beneficiaries		All	
Age	Number	Average Monthly Pension	Number	Average Monthly Pension	Number	Average Monthly Pension	Number	Average Monthly Pension
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Less than 50	0	$ 0	0	$ 0	0	$ 0	0	$ 0
50-59	2	130	0	0	0	0	2	130
60-69	10	159	0	0	1	100	11	154
70-79	7	169	0	0	1	100	8	160
Greater than 80	5	200	0	0	0	0	5	200
All	24	$ 168	0	$ 0	2	$ 100	26	$ 163

Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability that results from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;

2. Asset/Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;

3. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees or other relevant contribution base;

4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;

5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution (Continued)

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of retirees and beneficiaries and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	01/01/2025	01/01/2023	01/01/2021
Ratio of actives to retirees and beneficiaries	0.0	0.0	0.0
Ratio of net cash flows to market value of assets	-13%	-11%	-21%
Duration of the actuarial accrued liability	8.8	8.6	8.9

Ratio of Actives to Retirees and Beneficiaries

A ratio of actives to retirees and beneficiaries less than 1 typically indicates an older plan.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions (see Table 8).

Duration of Actuarial Accrued Liability

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution (Continued)

Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the "Low-Default-Risk Obligation Measure" (LDROM). The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

> "The ASB believes that the calculation and disclosure of this measure provides **appropriate, useful information for the intended user regarding the funded status of a pension plan.** The calculation and disclosure of this additional measure is **not intended to suggest that this is the "right" liability measure** for a pension plan. However, the ASB does believe that **this additional disclosure provides a more complete assessment of a plan's funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date."**

Comparing the Accrued Liabilities and the LDROM

One of the fundamental financial objectives of a pension plan is to finance each member's retirement benefits over the period from the member's date of hire until the member's projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities is set equal to the **expected return** on the diversified portfolio of assets (referred to sometimes as the investment return assumption). The current investment return assumption is 6%.

The LDROM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa. The LDROM results presented in this report are based on the discount rates based upon the intermediate rate from the FTSE Pension Discount Curve and Liability Index published by the Society of Actuaries. This rate is 5.49% as of January 1, 2025. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the cost to mitigate investment risk in the plan's portfolio.

Valuation Accrued Liabilities	LDROM
$530,036	$553,002

Table 14 - Summary for Actuarial Assumptions, Methods, and Changes

The calculations set forth in this report are based on the following assumptions:

1. Investment Return Rate — 6% per annum (net of investment expenses), compounded annually

2. Rates of Decrement due to:

a) Retirement — Age 50 and 20 years of service.

Age	Annual Rate Per 100
50	50
55	50
60	50
65	100

b) Disability

Age	Annual Rate Per 1,000
20	0.10
25	0.16
30	0.26
35	0.45
40	0.97
45	3.50
50	6.50
55	8.10

c) Pre-Retirement Mortality — Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier.

	Annual Rate Per 1,000 (for 2025)	
Age	Males	Females
20	0.200	0.078
25	0.181	0.098
30	0.201	0.132
35	0.230	0.176
40	0.289	0.240
45	0.401	0.328
50	0.587	0.445
55	0.856	0.602

Table 14 - Summary for Actuarial Assumptions, Methods, and Changes (Continued)

d) Withdrawal (any reason other than retirement, death, or disability)

Annual Rate Per 1,000 Withdrawals			
Service	Rates	Service	Rates
1	182.37	11	83.96
2	169.99	12	77.23
3	158.17	13	71.06
4	146.92	14	65.45
5	136.21	15	60.41
6	126.12	16	55.94
7	116.56	17	52.02
8	107.56	18	48.68
9	99.13	19	45.89
10	91.27		

Twenty percent (20%) of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year.

3. Post-Retirement Mortality

a) Healthy Retirees and Beneficiaries

Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

	Annual Rate Per 1,000 (for 2025)	
Age	Males	Females
50	1.566	1.215
55	2.496	2.104
60	4.143	3.637
65	7.229	6.318
70	13.004	11.022
75	23.687	19.236
80	43.228	33.563

Table 14 - Summary for Actuarial Assumptions, Methods, and Changes (Continued)

b) Disabled Retirees

Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

	Annual Rate Per 1,000 (for 2025)	
Age	Males	Females
50	35.000	25.000
55	35.000	25.000
60	35.000	25.000
65	35.000	25.000
70	35.000	25.000
75	42.772	33.208
80	77.384	57.960

4. Administrative Expenses

An explicit administrative expense equal to the average of the actual expenses for the two prior years.

5. Marital Status

a) Percent married

90% male and female

b) Age difference

Males are assumed to be two years older than females

6. Changes in Actuarial Assumptions

The investment return rate was reduced from 7.0% to 6.0% per annum.

Table 14 - Summary for Actuarial Assumptions, Methods, and Changes (Continued)

7. Actuarial Cost Method

Under the entry age actuarial cost method, the Normal Cost is computed as the level dollar amount which, if paid from the earliest time each member would have been eligible to join the plan if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the plan. The normal cost for the plan is determined by summing the normal cost of all members.

The Actuarial Accrued Liability under this method at any point in time is the theoretical amount of the fund that should have been accumulated had annual contributions been made in prior years equaling to the normal cost. The Unfunded Actuarial Accrued Liability/(Surplus) is the excess of the actuarial accrued liability over the actuarial value of the plan assets as of the valuation date.

The contribution requirements determined by this valuation will not be effective until one year later, and the determination of the calculated annual contribution reflects this deferral by amortizing the expected Unfunded Actuarial Accrued Liability/(Surplus) one year after the valuation date. It is assumed that there will be no change in the normal cost due to the deferral, and it is assumed that payments are made in the middle of the year.

Under this method, experience gains and losses (i.e. decreases or increases in accrued liabilities), attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

8. Asset Valuation Method

The asset valuation method is based on a comparison of expected and actual asset values. The actuarial value of assets is equal to the market value of assets less a five-year phase in of the Excess (Shortfall) between expected investment return and actual income determined as follows:

- At the beginning of each plan year, an expected actuarial asset value is calculated as the sum of the previous year's actuarial value increased with a year's interest at the Plan valuation rate plus net cash flow (excluding expenses) adjusted for interest (at the same rate) to the end of the previous plan year.
- The difference between the expected actuarial value and the actual market value is the investment gain or loss for the previous plan year.
- If the current year's difference is the opposite sign of any of the prior years' deferred Excesses/(Shortfalls), then the prior years' bases (starting with the oldest) are reduced dollar for dollar along with the current year's base. Any remaining bases are then recognized over five years (20% per year) from their initial creation.

Table 15 - Actuarial Valuation Information Checklist

	Current Plan	Proposed Plan A	Proposed Plan B	Proposed Plan C	Maximum Per State Statute
1. Normal Retirement Benefit (monthly):					
a. Regular	$200.00	$300.00	$450.00	$500.00	None
b. Extended Service Amount Per Year of Service	$0.00	$0.00	$0.00	$0.00	5% of Regular, for 10 Additional years
2. Vested Retirement Benefit (monthly):					
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	$10.00	$15.00	$22.50	$25.00	Pro rata Share of Regular
b. Minimum Vesting Years	10	10	10	10	20 Years
3. Disability Retirement Benefit (monthly):					
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	$0.00	$0.00	$0.00	$0.00	½ of Regular or $225, whichever is greater
b. Long Term Disability for line of duty injury Lifetime Benefit	$100.00	$150.00	$225.00	$250.00	Regular or $450 whichever is greater
4. Survivor Benefit (monthly):					
a. Following Death before Retirement Eligible; Due to death in the line of duty as a volunteer firefighter	$100.00	$150.00	$225.00	$250.00	½ of Regular or $225, whichever is greater
b. Following Death after Normal Retirement	$100.00	$150.00	$225.00	$250.00	50% of Regular
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	$0.00	$0.00	$0.00	$0.00	50% of Extended
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	$5.00	$7.50	$11.25	$12.50	50% of Vested
e. Following Death after Disability Retirement	$50.00	$75.00	$112.50	$125.00	50% of Long Term
f. Optional Survivor Benefits in lieu of 4a-e Following Death before or after Retirement Eligible due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	$0.00	$0.00	$0.00	$0.00	100% of Regular
5. Funeral Benefit (Required Benefit):					
a. Funeral Benefit Lump Sum, one time only	$200.00	$100.00	$100.00	$100.00	2 times Regular

Table 16 - Comparison of Actuarial Results Based on Alternate Benefit Levels

		Current Plan (1)	Plan A (2)	Plan B (3)	Plan C (4)
1.	Normal Retirement Benefit	$ 200.00	$ 300.00	$ 450.00	$ 500.00
2.	Actuarial Accrued Liability	530,036	792,976	1,188,944	1,320,934
3.	Unfunded Accrued Liability / (Surplus)	332,206	595,146	991,114	1,123,104
4.	Normal Cost	0	0	0	0
5.	Amortization of Current Plan Unfunded Liability	28,431	28,431	28,431	28,431
6.	Amortization of Plan Improvements	0	39,818	99,780	119,768
7.	Administrative and other ongoing expenses	9,374	9,374	9,374	9,374
8.	Total Annual Calculated Contribution (4. - 7.)*	37,805	77,623	137,585	157,573
9.	Assumed Contribution	34,292	34,292	34,292	34,292
10.	Funding Period Based on Assumed Contribution	26 years	Never	Never	Never
11.	Funded Ratio	37%	25%	17%	15%

* Under Colorado statute, a benefit improvement is allowable only if the department commits to contributions which meet the definition of actuarial soundness. Actuarially Sound shall mean that contributions are sufficient to fully fund the unfunded liability within the lesser of 20 years or the average life expectancy of plan members from the most recent valuation date, except that, for new unfunded liabilities created from plan improvements implemented on or after January 1, 2025, a separate amortization base shall be established and amortized over 10 years. **All departments should carefully weigh decisions about benefit improvements and their ability to fund the necessary contributions on an ongoing basis.**

This metric considers only whether current contribution levels are sufficient to amortize or pay off the unfunded liability within the stated amortization period, assuming all actuarial assumptions are met. In considering implementing a benefit improvement, this metric should be one of many considerations. Other considerations include, but are not limited to:

- The current funded status of the plan,
- Expectations regarding future membership in the plan,
- The department's ability to sustain current contribution levels for 20 or more years, and
- The department's ability to withstand adverse experience (potentially higher contribution levels), if actuarial assumptions are not met.

Table 16 - Comparison of Actuarial Results Based on Alternate Benefit Levels (Continued)

Note: Any changes to the Current Plan benefits will impact the employer's annual financial statements reports per Governmental Accounting Standards Board Statement No. 68 (GASB 68). Employers will report the change in benefits (improvements or reductions in benefits) within the total pension liability as pension expense in the year they occur (in other words, immediately). For example, if Rocky Mountain were to adopt Plan A above, the Net Pension Liability and Pension Expense would increase by at least $262,940 (the difference in row 4 between Plan A and the Current Plan). This amount could be larger depending on whether the Single Discount Rate used under GASB 68 for your Plan is different than the valuation's investment return assumption of 6%. If you have questions regarding GASB 68, you will find information at www.FPPAco.org/GASB.html or contact your auditor.

Appendix - Definition of Terms

1. Actuarial Cost Method

   A method for determining the actuarial present value of future benefits and allocating such value to time periods in the form of a normal cost and an actuarial accrued liability.

2. Present Value of Future Benefits

   This is computed by projecting the total future benefit cash flow from the Plan, using actuarial assumptions, and then discounting the cash flow to the valuation date.

3. Normal Cost

   Computed differently under different actuarial cost methods, the normal cost generally represents the value of the portion of the participant's anticipated retirement, termination, and/or death and disability benefits accrued during a year.

4. Actuarial Accrued Liability

   Computed differently under different actuarial cost methods. Generally actuarial accrued liability represents the value of the portion of the participant's anticipated retirement, termination, and/or death and disability benefits accrued as of the valuation date.

5. Entry Age Actuarial Cost Method

   A method under which a participant's actuarial present value of future benefits is allocated on a level basis over the earnings of the participant between his/her entry into the Plan and his/her assumed exit.

6. Unfunded Actuarial Accrued Liability

   The difference between total actuarial present value of future benefits over the sum of the tangible assets of the Plan and the actuarial present value of the members' future normal costs. The Plan is underfunded if the difference is positive and overfunded if the difference is negative.

7. Actuarial Value of Assets

   The value of cash, investments, and other property belonging to the Plan, as valued by the actuary for purposes of the actuarial valuation.

8. Actuarial Gain or Loss

   From one valuation to the next, if the experience of the plan differs from that anticipated by the actuarial assumptions, an actuarial gain or loss occurs. For example, an actuarial gain would occur if the assets in the trust had a yield of 12% based on actuarial value, while the assumed yield on the actuarial value of assets was 7.00%.