Washington - Yuma Combined Communications Center
Yuma, Colorado

Financial Statements
December 31, 2019

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LAW-FIRE-EMS
Washington-Yuma Counties
Combined Communications

Washington - Yuma Combined Communications Center
Financial Report
December 31, 2019

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M & A

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Washington - Yuma Combined Communications Center
Yuma, Colorado

We have audited the accompanying financial statements of the governmental activities and the general fund of the Washington - Yuma Combined Communications Center (the "Center"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

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 Washington - Yuma Combined Communications Center as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B, and the Schedule of 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, 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 Management's Discussion and Analysis in Section B, and the required supplemental information in Section E in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
September 17, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Combined Communications

WASHINGTON - YUMA COMBINED COMMUNICATIONS CENTER

Management's Discussion and Analysis
December 31, 2019

As management of the Washington – Yuma Combined Communications Center, (the "Center"), we offer readers of the financial statements this narrative summary of the financial activities for the fiscal year ended December 31, 2019.

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 its only fund, the General Fund. A budget comparison statement has been provided to demonstrate compliance with this budget. 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 Combined Communications Center's Statement of Net Position

	2019	2018
Assets:		
Current and other assets	$ 200,054	$ 156,728
Capital assets	3,229	3,744
Total Assets	203,283	160,472
Deferred Outflows of Resources:		
Pension & OPEB related deferred outflows	263,202	127,486
Total Deferred Outflows of Resources	263,202	127,486
Liabilities:		
Other liabilities	78,038	13,897
Long-term liabilities	1,044,385	956,943
Total Liabilities	1,122,423	970,840
Deferred Inflows of Resources:		
Pension & OPEB related deferred inflows	49,167	194,278
Total Deferred Inflows of Resources	49,167	194,278
Net Position:		
Net invested in capital assets	3,229	3,744
Unrestricted	(708,334)	(880,904)
Total Net Position	$ (705,105)	$ (877,160)

The positive balance of the Center's net investment in capital assets net position relates to its capital assets, which includes communication equipment and software, as well as furniture and fixtures. The Center uses its capital assets to provide 911 and emergency dispatch services as well as after-hours public works and utility dispatch services to its citizens; therefore, these assets are not available for future spending.

At the end of the 2019 fiscal year, the Center reports deficit unrestricted net position due to the net pension and other post-employment benefits ("OPEB") liability plus the related deferred outflows of resources and deferred inflows of resources, as listed above. The Center's net position increased by $172,055 from the prior year, and the Center begins 2020 with a deficit net position of $705,105.

Washington - Yuma Combined Communications Center's Change in Net Position

	2019	2018
Revenues:		
Yuma County	$ 460,000	$ 440,000
Washington County	230,000	220,000
Washington - Yuma Counties		
Emergency Telephone Service Authority	40,000	40,000
RETAC Coordinator	103,925	102,373
Other	73	20
Interest	101	108
Total Revenues	834,099	802,501
Expenses:		
Salaries and benefits	695,483	665,000
Supplies	4,715	3,788
Postage, printing, and advertising	1,463	872
Dues	1,368	1,343
Utilities	11,281	12,187
Telephone	9,091	8,577
Equipment rental	812	810
Repair and maintenance	2,090	752
Meetings and travel	2,651	4,009
Training	1,233	7,446
Computer support equipment	960	745
Depreciation expense	1,308	1,056
Treasurers' fees	2,650	2,700
Other	1,809	2,053
CAPP insurance	1,631	2,291
Professional services	8,252	6,645
RETAC salaries and other costs	103,862	102,377
Pension expense	(188,868)	75,940
OPEB expense	253	435
Loss on disposal of assets	-	284
Total Expenses	662,044	899,310
Change in Net Position	172,055	(96,809)
Net Position:		
Beginning of the Year	(877,160)	(780,351)
End of the Year	$ (705,105)	$ (877,160)

Financial Analysis of the Center

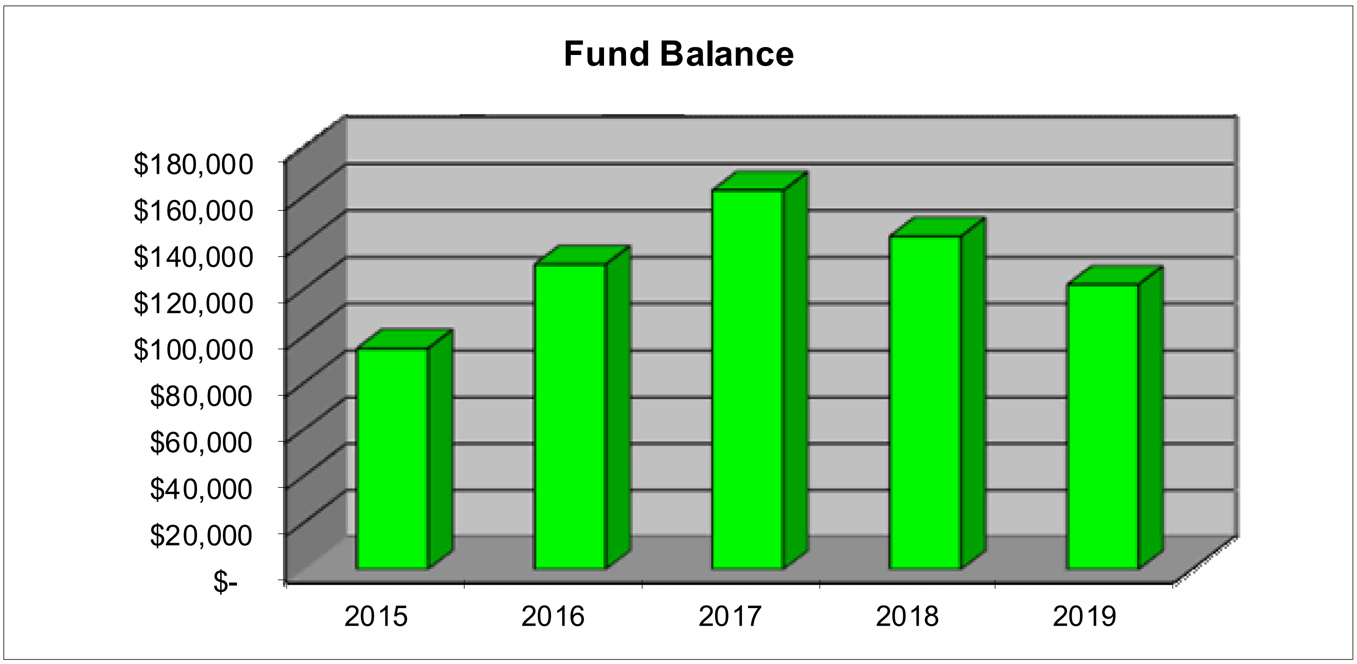
Revenues from Yuma and Washington Counties were the most significant source of income, accounting for 83% of total revenues. The Emergency Telephone Service Authority and Northeast Colorado Regional Emergency Trauma Advisory Council ("RETAC") Coordinator reimbursements were also major sources of revenue for the Center.

In comparison to 2018, revenues increased by $31,598. This is mainly attributable to increased revenues from Yuma and Washington Counties.

Expenses decreased $237,266 in 2019. The increase is primarily related to a decrease of $264,808 in pension expense.

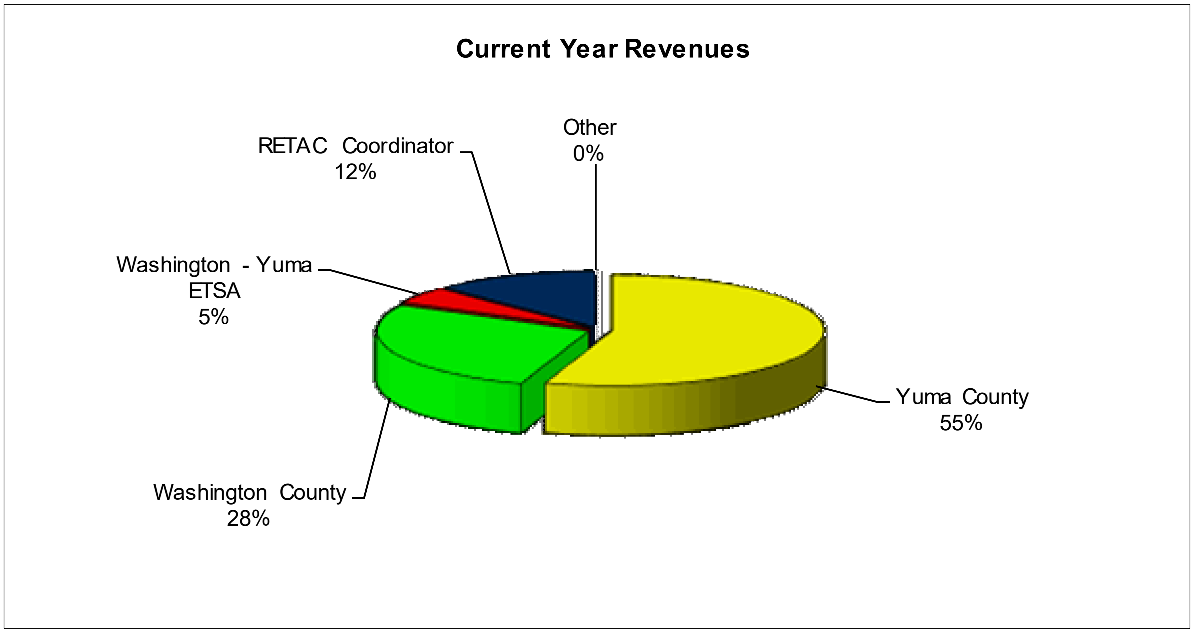
Salaries and other payroll costs accounted for 94% of the Center's expenses.

The following chart shows the Center's available resources (i.e., fund balance) for the past 5 years.

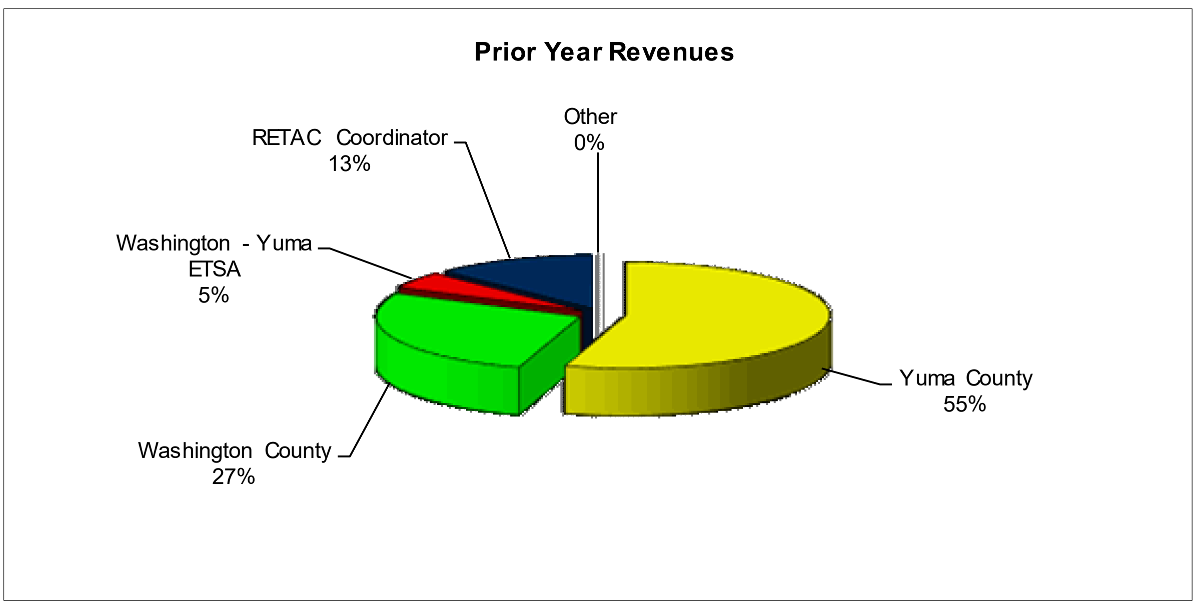


Financial Analysis of the Center (continued)

The following graph details the Center's 2019 revenues*:*

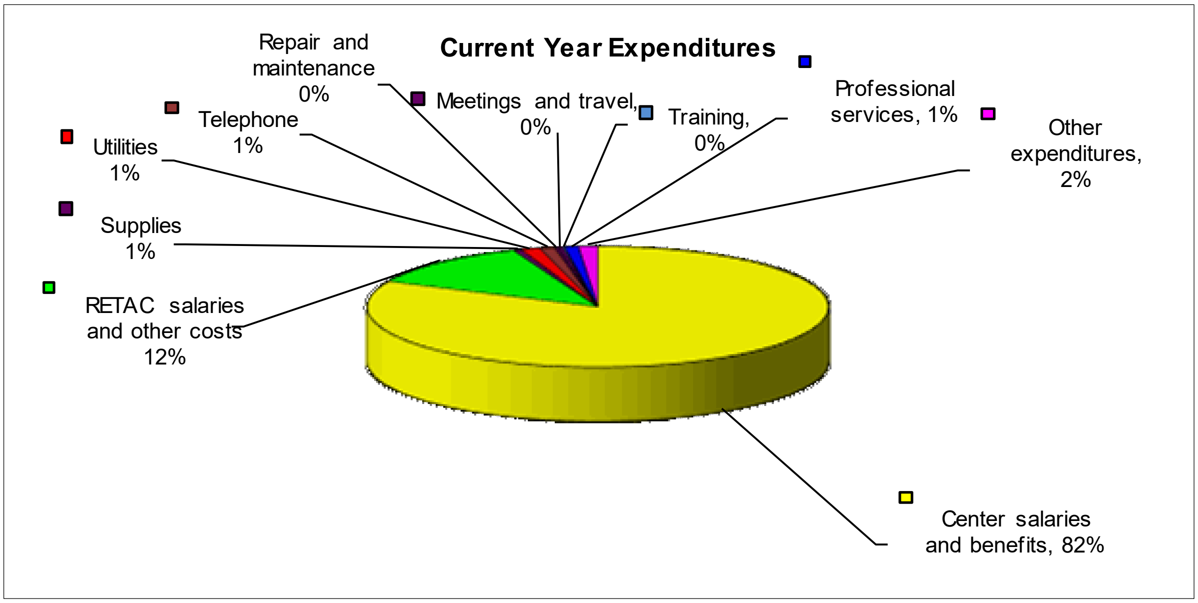


The following graph depicts the Center's 2018 revenues:

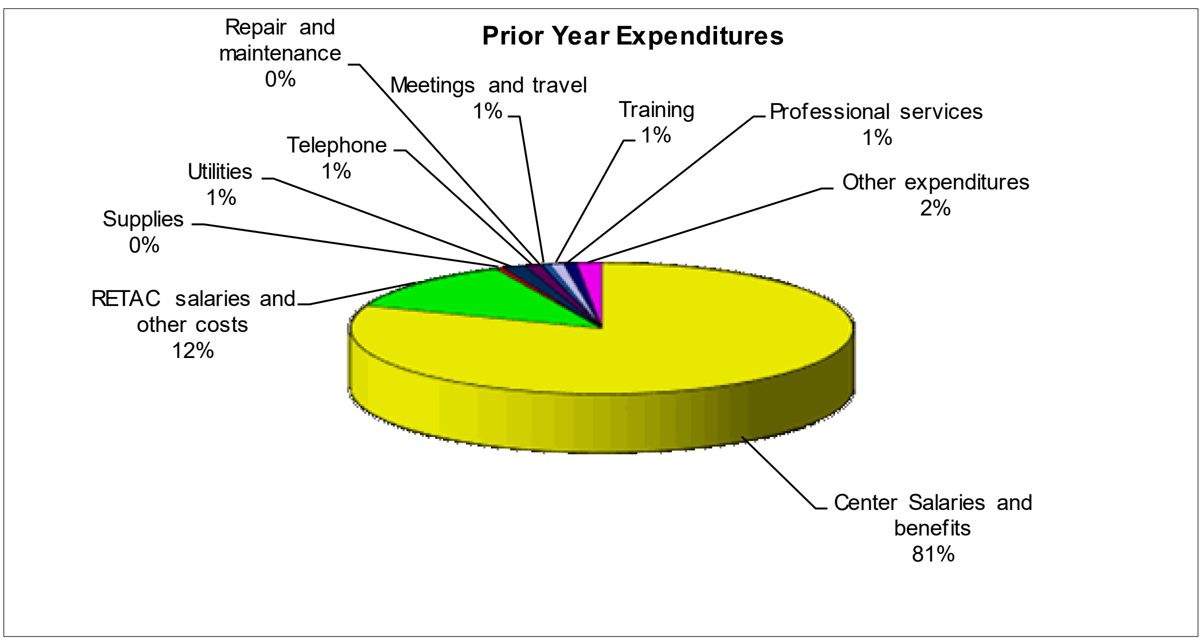


Financial Analysis of the Center (continued)

The following graph shows the Center's 2019 expenditures:



The following graph shows the Center's 2018 expenditures:



Budget Variances in the General Fund

The Center did not amend the General Fund budget for the 2019 fiscal year; the actual expenditures for the General Fund were under budgeted amounts by $137,862.

Significant budget variances in the General Fund were as follows:

	Positive (Negative) Variance	Reason
Expenditures:		
Salaries and benefits	$ 87,623	Budgeted for more full-time employees, hours for part-time employees, and personal leave buyout than needed
Repair and maintenance	9,410	Fewer repair and maintenance projects were undertaken than anticipated
Computer support equipment	14,247	The Center budgets conservatively and experienced lower equipment costs than anticipated.

Capital assets: The Center's investment in capital assets totaled $3,229 in 2019. 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.

Next Year's Budget and Rates

The Center's fund balance at the end of the 2019 fiscal year totaled $122,016. The Center's 2020 budget does not anticipate a change 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, 2019

	General Fund	Adjustments	Statement of Net Position
Assets:			
Cash with County Treasurer	191,252	-	191,252
Due from other governments	8,802	-	8,802
Equipment	-	53,417	53,417
Furniture and fixtures	-	13,439	13,439
Accumulated depreciation	-	(63,627)	(63,627)
Total Assets	200,054	3,229	203,283
Deferred Outflows of Resources:			
Pension related deferred outflows	-	256,674	256,674
OPEB related deferred outflows	-	6,528	6,528
Total Deferred Outflows of Resources	-	263,202	263,202
Liabilities:			
Accounts payable	32,365	-	32,365
Payroll liabilities	40,673	-	40,673
Unearned revenue	5,000	-	5,000
Accrued compensated absences	-	44,492	44,492
Net pension liability	-	922,475	922,475
Net OPEB liability	-	77,418	77,418
Total Liabilities	78,038	1,044,385	1,122,423
Deferred Inflows of Resources:			
Pension related deferred inflows	-	45,423	45,423
OPEB related deferred inflows	-	3,744	3,744
Total Deferred Inflows of Resources	-	49,167	49,167
Fund Balances / Net Position:			
Fund Balance:			
Unassigned	122,016	(122,016)	
Total Fund Balance	122,016	(122,016)	
Total Liabilities and Fund Balance	200,054		
Net Position:			
Net investment in capital assets		3,229	3,229
Unrestricted		(708,334)	(708,334)
Total Net Position		(705,105)	(705,105)

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, 2019

	General Fund	Adjustments	Statement of Activities
Revenues:			
Yuma County	460,000	-	460,000
Washington County	230,000	-	230,000
Washington - Yuma Counties			
Emergency Telephone Service Authority	40,000	-	40,000
RETAC Coordinator	103,925	-	103,925
Other	73	-	73
Interest income	101	-	101
Total Revenues	834,099	-	834,099
Expenditures / Expenses:			
Salaries and benefits	700,253	(4,770)	695,483
Supplies	4,715	-	4,715
Postage, printing, and advertising	1,463	-	1,463
Dues	1,368	-	1,368
Utilities	11,281	-	11,281
Telephone	9,091	-	9,091
Equipment rental	812	-	812
Repairs and maintenance	2,090	-	2,090
Meetings and travel	2,651	-	2,651
Training	1,233	-	1,233
Computer support equipment	1,753	(793)	960
Depreciation expense	-	1,308	1,308
Treasurers' fees	2,650	-	2,650
Other	1,809	-	1,809
CAPP insurance	1,631	-	1,631
Professional services	8,252	-	8,252
RETAC salaries and other costs	103,862	-	103,862
Pension expense	-	(188,868)	(188,868)
OPEB expense	-	253	253
Total Expenditures / Expenses	854,914	(192,870)	662,044
Excess (Deficiency) of Revenues Over Expenditures / Change in Net Position	(20,815)	192,870	172,055
Fund Balance / Net Position:			
Beginning of the Year	142,831	(1,019,991)	(877,160)
End of the Year	122,016	(827,121)	(705,105)

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, 2019
(With Comparative Actual Amounts for 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Yuma County	460,000	460,000	460,000	-	440,000
Washington County	230,000	230,000	230,000	-	220,000
Washington - Yuma Counties Emergency Telephone Service Authority	40,000	40,000	40,000	-	40,000
RETAC Coordinator	105,000	105,000	103,925	(1,075)	102,373
Other	-	-	73	73	20
Interest income	-	-	101	101	108
Total Revenues	835,000	835,000	834,099	(901)	802,501
Expenditures:					
Salaries and benefits	787,876	787,876	700,253	87,623	663,025
Supplies	8,000	8,000	4,715	3,285	3,788
Postage, printing, and advertising	1,800	1,800	1,463	337	872
Dues	1,500	1,500	1,368	132	1,343
Utilities	14,000	14,000	11,281	2,719	12,187
Telephone	11,000	11,000	9,091	1,909	8,577
Equipment rental	1,500	1,500	812	688	810
Repair and maintenance	11,500	11,500	2,090	9,410	752
Meetings and travel	8,000	8,000	2,651	5,349	4,009
Training	8,500	8,500	1,233	7,267	7,446
Computer support equipment	16,000	16,000	1,753	14,247	3,259
Treasurers' fees	2,500	2,500	2,650	(150)	2,700
Other	3,800	3,800	1,809	1,991	2,053
CAPP insurance	2,500	2,500	1,631	869	2,291
Professional services	9,300	9,300	8,252	1,048	6,645
RETAC salaries and other costs	105,000	105,000	103,862	1,138	102,377
Total Expenditures	992,776	992,776	854,914	137,862	822,134
Excess (Deficiency) of Revenues Over Expenditures	(157,776)	(157,776)	(20,815)	136,961	(19,633)
Fund Balance:					
Beginning of the Year			142,831		162,464
End of the Year			122,016		142,831

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

NOTES TO THE FINANCIAL STATEMENTS

Washington-Yuma Counties
Combined Communications

I. Summary of Significant Accounting Policies

The Washington - Yuma Combined Communications Center (the "Center") was formed on April 16, 1992, by an intergovernmental agreement between Washington County, Yuma County and the City of Yuma. The Center was formed to receive and dispatch emergency calls, after-hours calls for public works and utilities of its members, and to maintain logs of calls received. The intergovernmental agreement provides that the Center will remain in operation until the agreement is terminated. The members can terminate the agreement with twelve month's written notice, and the Center can terminate the agreement with three month's written notice. In the event of termination, the assets shall be returned to the member that purchased it.

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.

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 fund:

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

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.

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 expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase, if applicable, is capitalized as part of the value of the asset.

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

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, 2019 has been reflected in the government-wide financial statements.

5. 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.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. 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. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF's December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates for the LGDTF by a total of 2% (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to members of the Local Government Division hired on or after January 1, 2019. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

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

The Center participates in the Health Care Trust Fund (the "HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by 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 and additions to/deductions from the fiduciary net position 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.

I. Summary of Significant Accounting Policies (continued)

7. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position 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.

8. 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 $3,229, at $66,856 of assets net of accumulated depreciation of $63,627, are not financial resources and therefore are not reported in the funds.

Another element of the adjustments is $263,202 for the long-term deferred outflows of resources, relating to pensions for $256,674 and relating to OPEB for $6,528, 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, 2019 are comprised of accrued compensated absences $44,492, net pension liability $922,475, net OPEB liability $77,418, and deferred inflows of resources related to pensions of $45,423 and related to OPEB of $3,744.

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:

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 an increase of $4,770 of salaries and benefits.

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, 2019 the Center had capital outlay of $793 and depreciation expense of $1,308.

Other expenses reported in the Statement of Activities that do not require the use of current financial resources include a pension credit expense $188,868 and OPEB expense of and $253.

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.

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, 2019.

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.

IV. Detailed Notes on all Funds

A. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, being depreciated:				
Equipment	$ 53,417	$ -	$ -	$ 53,417
Furniture and fixtures	12,646	793	-	13,439
Total capital assets being depreciated	66,063	793	-	66,856
Less accumulated depreciation for:				
Equipment	(52,375)	(414)	-	(52,789)
Furniture and fixtures	(9,944)	(894)	-	(10,838)
Total accumulated depreciation	(62,319)	(1,308)	-	(63,627)
Total capital assets, being depreciated, net	3,744	(515)	-	3,229
Total Capital Assets, Net	$ 3,744	$ (515)	$ -	$ 3,229

B. Long-term Obligations

1. Changes in Long-term Obligations

	Beginning Balance	Additions (Deletions)	Ending Balance	Due Within One Year
Accrued personal time off	$ 49,262	$ (4,770)	$ 44,492	$ -
Net pension liability	832,202	90,273	922,475	-
Net OPEB liability	75,479	1,939	77,418	-
Total Long-term Obligations	$ 956,943	$ 87,442	$ 1,044,385	$ -

C. 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 comprehensive annual financial report ("CAFR") that can be obtained at www.copera.org/investments/pera-financial-reports.

IV. Detailed Notes on all Funds (continued)

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

Benefits provided as of December 31, 2018. 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 lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools ("DPS") Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases 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.

IV. Detailed Notes on all Funds (continued)

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

Benefits provided as of December 31, 2018 (continued)

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases ("AI") for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers ("CPI-W") for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lessor of an annual increase of 1.5% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve ("AIR") for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1% based on the parameters specified C.R.S. § 24-51-413.

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. Eligible employees and the Center 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. Eligible employees are required to contribute 8%of their PERA-includable salary. The employer contribution requirements are summarized in the table below with rates expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42):

Contributions provisions as of December 31, 2019. Eligible employees and the Center 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. Eligible employees are required to contribute 8% of their PERA-includable salary during the period of January 1, 2019, through December 31, 2019.

IV. Detailed Notes on all Funds (continued)

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

Contributions provisions as of December 31, 2019 (continued)

The employer contribution requirements during the period of January 1, 2019, through December 31, 2019, are summarized in the table below:

	Rate
Employer Contribution Rate	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement ("AED") as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement ("SAED") as specified in C.R.S. § 24-51-411	1.50%
Total Employer Contribution rate to the LGDTF	12.68%

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 $65,379 for the year ended December 31, 2019.

Pension liability. At December 31, 2019, the Center reported a liability of $922,475 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The Center's proportion of the net pension liability was based on the Center's contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the Center's proportion was 0.07337%, which was a decrease of 0.00137% from its proportion measured as of December 31, 2017.

Pension Expense. For the year ended December 31, 2019, the Center recognized a credit pension expense of $188,868.

IV. Detailed Notes on all Funds (continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, 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	$ 38,572	$ -
Net difference between projected and actual earnings on pension plan investments	120,133	-
Changes in proportionate share of contributions	32,559	45,423
Difference between actual and reported contributions recognized	31	-
Contributions subsequent to the measurement date	65,379	-
	$ 256,674	$ 45,423

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

$65,379 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, 2020. 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
2020	$ 59,881
2021	13,720
2022	6,694
2023	65,577
	$ 145,872

IV. Detailed Notes on all Funds (continued)

C. 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, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50 - 10.45%
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 (automatic)	2.00% annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the AIR

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

Healthy mortality assumptions for active members were based on the 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.

Healthy, post-retirement mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males**: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females**: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions (continued)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, 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 by the investment consultant 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 percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S Equity - Developed	18.55%	5.20%
Non U.S Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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%.

IV. Detailed Notes on all Funds (continued)

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

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 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200. 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 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 included 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.
- 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 fiduciary net position, 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 fiduciary net 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.

Based on the above assumptions and methods, LGDTF's fiduciary net position 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.

IV. Detailed Notes on all Funds (continued)

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

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%)
Collective net pension liability	$1,923,276,000	$1,257,213,000	$ 699,984,000
Proportionate share of net pension liability	1,411,197	922,475	513,611

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

Changes between the measurement date of the net pension liability and December 31, 2019. During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2% increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

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

Plan description. The Center contributes to the HCTF - a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF 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 health care subsidies. PERA issues a publicly available CAFR and required supplementary information for the HCTF that can be obtained at www.copera.org/investments/pera-financial-reports.

IV. Detailed Notes on all Funds (continued)

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

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 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 (the "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 basis for 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.

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 on behalf of benefit recipients not covered by Medicare Part A.

IV. Detailed Notes on all Funds (continued)

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

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. PER -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 $5,259 for the year ended December 31, 2019.

OPEB Liability: At December 31, 2019, the Center reported a liability of $77,418 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018. The Center's proportion of the net OPEB liability was based on the Center's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the Center's proportion was 0.00569%, which was a decrease of 0.00012% from its proportion measured as of December 31, 2017.

IV. Detailed Notes on all Funds (continued)

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

Expense and Deferred Outflows of Resources and Deferred inflows of Resources. For the year ended December 31, 2019, the Center recognized OPEB expense of $253. 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	$ 281	$ 118
Changes of assumptions or other inputs	543	-
Net difference between projected and actual earnings on pension plan investments	445	-
Changes in proportionate share of contributions	-	3,611
Difference between actual and reported contributions recognized	-	15
Contributions subsequent to the measurement date	5,259	-
	$ 6,528	$ 3,744

$5,259 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, 2020. 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
2020	$ (640)
2021	(640)
2022	(640)
2023	(331)
2024	(217)
2025	(7)
	$ (2,475)

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in the aggregate
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	5.00%
Medicare Part A premiums	3.00% for 2018, gradually rising to 5.00% in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA Board's actuary, as needed.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$736	$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is $422 per month.

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions (continued)

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, 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 that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions (continued)

Mortality assumptions for the determination of the total OPEB liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the 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.

Healthy, post-retirement mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males**: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females**: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

IV. Detailed Notes on all Funds (continued)

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

Actuarial assumptions (continued)

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, 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 by the investment consultant 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 percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S Equity - Developed	18.55%	5.20%
Non U.S Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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%.

IV. Detailed Notes on all Funds (continued)

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

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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Collective net OPEB liability	$1,322,972,000	$1,360,542,000	$1,403,754,000
Proportionate share of net OPEB liability	75,280	77,418	79,877

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, 2017, 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 3.50%.
- 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. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- 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.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, HCTF's fiduciary net position 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.

IV. Detailed Notes on all Funds (continued)

D. OPEB Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (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%)
Collective net OPEB liability	$1,522,328,000	$1,360,542,000	$1,222,230,000
Proportionate share of net OPEB liability	86,624	77,418	69,547

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

E. 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.

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.

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 and the Washington-Yuma Emergency Service Telephone Authority. 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.

REQUIRED SUPPLEMENTARY INFORMATION

9-1-1 LAW-FIRE-EMS

Washington-Yuma Counties
Combined Communications

Washington - Yuma Combined Communications Center
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 *
(Unaudited)

	Measurement period ending December 31,					
	2018	**2017**	**2016**	**2015**	**2014**	**2013**
Center's portion of the net pension liability	0.073375%	0.074742%	0.079129%	0.085292%	0.094175%	0.092490%
Center's proportionate share of the net pension liability	922,475	832,202	1,068,515	939,570	844,101	761,115
Center's covered payroll	481,260	471,505	479,622	484,397	516,038	493,440
Center's proportionate share of the net pension liability as a percentage of its covered payroll	192%	176%	223%	194%	164%	154%
Plan fiduciary net position as a percentage of the total pension liability	75.96%	79.37%	73.60%	76.90%	80.70%	77.66%

* 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 2014.

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

Washington - Yuma Combined Communications Center
Schedule of Center Pension Contributions
Colorado Public Employees' Retirement Association Local Government Trust Fund
Last 10 Fiscal Years *
(Unaudited)

	Fiscal years ending December 31,					
	2019	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	65,379	61,024	59,787	60,816	61,421	65,434
Actual contributions	(65,379)	(61,024)	(59,787)	(60,816)	(61,421)	(65,434)
Contribution deficiency (excess)	-	-	-	-	-	-
Center's covered payroll	515,606	481,260	471,505	479,622	484,397	516,038
Contributions as a percentage of covered payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

*Information is only available beginning in fiscal year 2014.

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

Washington - Yuma Combined Communications Center
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 *
(Unaudited)

	Measurement period ending December 31,		
	2018	**2017**	**2016**
Center's portion of the net OPEB liability	0.005690%	0.005808%	0.006074%
Center's proportionate share of the net OPEB liability	77,418	75,479	78,755
Center's covered payroll	481,260	471,505	479,622
Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	17.53%	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 Combined Communications Center
Schedule of Center OPEB Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *
(Unaudited)

	Fiscal years ending December 31,		
	2019	**2018**	**2017**
Contractually required contribution	5,259	4,909	4,809
Actual contributions	(5,259)	(4,909)	(4,809)
Contribution deficiency (excess)	-	-	-
Center's covered payroll	515,606	481,260	471,505
Contributions as a percentage of covered payroll	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.

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, 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.

2. 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.

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50% per year, compounded annually, net of investment expenses to 7.25% per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80% per year to 2.40% per year.
- Real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90% per year to 3.50% per year.

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

A. Changes to assumptions or other inputs (continued)

4. 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.
- Refection 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.

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 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.

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.