

White River Conservation District  
Financial Statements  
Independent Auditor's Report  
December 31, 2020

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS WHITE RIVER CONSERVATION DISTRICT FISCAL YEAR 2020**

The management of White River Conservation District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020.

### **Financial Highlights**

- The District was formed on June 1, 1959.
- Total revenue increased \$45,908 from the prior year.
- Operating expense increased \$29,604 from the prior year.
- General and Administrative expense decreased \$12,019 from the prior year.

### **Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements, presented on pages 3-4 are comprised of Financial Statements and pages 5-17, Notes to Financial Statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The Balance Sheet-General Fund presents information on all the District's assets and liabilities, with the difference being reported in Net Position. Changes in the Net Position may be used to indicate whether the financial position of the District is improving or deteriorating.

The Statement of Revenue, Expenses, and Changes in Net Position-General Fund present information that reflects how the District's Net Position changed during the past year. All changes in the Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Consequently, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 5-17 of this report.

The Supplemental Information contained in this report on page 18, provides a schedule of revenues, expenses, and a comparison of budget and actual information showing the variance between the two.

### Statement of Net Position

Some notable changes on the Balance Sheet- General Fund include Cash on hand and in banks decreased from fiscal year ending 2019 by \$22,170, receivables increased by \$15,219, and total current liabilities increased by \$18,669.

	2020	2019
Current Assets:		
Cash & cash equivalents	\$ 624,494	\$ 646,664
Accounts receivable	17,492	2,273
Property taxes receivable	31,918	35,180
Prepaid expenses	3,701	601
Total Current Assets	677,605	684,718
Restricted Cash	66,156	28,418
Deferred Outflows-Pension/OPEB	26,407	27,642
Total Assets	770,168	740,778
Current Liabilities:		
Accounts payable	50,677	2,121
Other accrued expenses	12,678	42,559
Net pension/OPEB Liability	158,894	158,900
Total Current Liabilities	222,249	203,580
Deferred inflow of resources	106,563	93,282
Net Position:		
Labor Restriction	13,321	12,254
Nonspendable	3,701	601
Unrestricted	424,335	431,061
Net Position	\$ 441,357	\$ 443,916

### Review of Revenue

	2020	2019
Operating Revenue		
Contributions/Grants	\$ 300,778	\$ 200,182
Non-Operating Revenue		
Taxes	32,636	39,592
Investment income	3,900	13,566
Miscellaneous income	18,065	56,131
Total Non-Operating Revenue	54,601	109,289
Total Revenue	\$ 355,379	\$ 309,471

Interest was down in 2020 due to lower interest rates. The largest increase in revenue was from grant revenue of \$100,596.

### Review of Expenses

	2020	2019
Expenses:		
Operating Expense	\$ 152,122	\$ 110,496
General & Administrative	205,816	217,837
Total Expense	<u>\$ 357,938</u>	<u>\$ 328,333</u>

Operating Expenses from 2019 to 2020 increased by \$41,626. This was mainly due to increases in grant expense. General and Administrative Expenses decreased by \$12,021. This was mainly due to a decrease in travel expense.

### Budgetary Highlights

The District prepares its budget using the modified accrual basis of accounting.

Actual revenue of the District less than the budgeted revenue because of a decrease in anticipated grant revenue.

Actual expenditures of the District were less than the budgeted expenses due to efficiencies in operations.

### Economic Factors and Next Year's Budgets and Rates

Economic Factors and Next Year's Budgets and Rates

The total income for 2020 was expected to increase from 2019 due to grants for the White River Algae Study even though the mill levy and County support were reduced. The bulk of the three-year Algae study was expected to take place in 2020. The final report will be developed and completed in 2021.

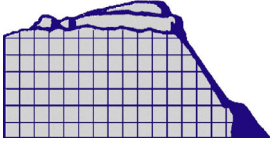
The two major increased expenses anticipated for 2020 included salaries and related expenses as we anticipated hiring a water coordinator within the year. Unfortunately, that did not materialize but grants have been written for a White River Integrated Water Initiative Coordinator for 2021 – 2022.

Of course, the Covid Pandemic was not expected and had minimal impact on the District with few exceptions. While complying with government regulations of not accepting customers in the office and no travel, expenses were minimized, and staff worked from home much of the time.

Looking to 2021, it is anticipated that the County contribution will be reduced by another 25% and mill levy is expected to be reduced by 20%. The operations of the district will continue with more grant applications to provide on-the-ground conservation. Projects will include finalizing the White River Algae Study and continuing the White River Integrated Water Initiative and the financial assistance agreement with the Bureau of Land Management for rangeland restoration and monitoring.

Request for more Information:

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to White River Conservation District, c/o Tristan Nielsen, District Manager, (970) 878-9838, [whiterivercd@gmail.com](mailto:whiterivercd@gmail.com), 351 7<sup>th</sup> Street, P O Box 837, Meeker, Colorado, 81641.



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
White River Conservation District  
Meeker, CO

I have audited the accompanying financial statements of the governmental activities of the White River Conservation District, State of Colorado (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District'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**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the White River Conservation District, State of Colorado, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-3, required pension schedules and OPEB on pages 18-19, and budgetary comparison information on pages 20 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

*Paul D. Miller, CPA, LLC*

Grand Junction, Colorado

June 14, 2021

WHITE RIVER CONSERVANCY DISTRICT  
Balance Sheet -General Fund  
December 31, 2020

**ASSETS:**

Current Assets:

Cash & Cash Equivalents	\$	67,590	
Investment-COLOTrust		556,904	
Accounts Receivable		17,492	
Property Taxes Receivable		31,918	
Prepaid Expense		3,701	
Total Current Assets		677,605	\$ 677,605

Restricted Assets

Cash Restricted for Algae Project		66,156	66,156
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Deferred Outflows of Resources:

OPEB		3,142	
Pension Plan		23,265	26,407
Total Assets and Deferred Outflows		770,168	\$ 770,168

**LIABILITIES:**

Current Liabilities:

Accounts Payable		50,676	
Accrued Wages		4,827	
Accrued Comp Absences		4,885	
Payroll Tax Liability		2,966	
Net Pension Liability		142,165	
Net OPEB Liability		16,729	
Total Current Liabilities		222,248	\$ 222,248
Total Liabilities			222,248

Deferred Inflow of Resources

Property Taxes		31,918	
OPEB		9,045	
Pension Plan		65,600	
Total Deferred Inflows of Resources		106,563	106,563

**NET POSITION**

Restricted for TABOR		13,321	
Nonspendable		3,701	
Unassigned		424,335	
Total Net Position		441,357	441,357
Total Liabilities, Deferred Inflows and Net Position		770,168	\$ 770,168

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

WHITE RIVER CONSERVANCY DISTRICT  
Statement of Revenues, Expenditures and Change in Net Position-General Fund  
For the Year Ended December 31, 2020

**REVENUES:**

Operating Revenue:		
Contributions		\$ 90,001
Grants		210,777
Sale of Product	\$ 9,223	
Less Cost of Product	<u>(7,253)</u>	1,970
Equipment Rental		653
Douglas Creek Reimbursement		<u>14,289</u>
Total Operating Revenue		<u>317,690</u>

Expenses:

Operating Expenses:		
Grant Expenses	151,474	
Equipment Repairs	419	
Horse & Burro Coalition Expense	<u>229</u>	
Total Operating Expenses		152,122

General & Administrative:

Advertising	936	
Accounting	8,753	
Office	2,864	
Payroll & Related Expense	176,008	
Insurance	310	
Dues	3,806	
Newsletter	2,441	
Telephone/internet	1,724	
Training	289	
Travel	3,677	
Meetings	3,031	
Public Education	408	
Treasurer Fees	<u>1,569</u>	
Total General & Administrative		<u>205,816</u>
Total Expenses		<u>357,938</u>

NON-OPERATING REVENUE

Taxes	32,636	
Interest Income	3,900	
Miscellaneous Income	<u>1,153</u>	
Total Non-Operating Income		<u>37,689</u>

Excess of Revenues Over (Under) Expenses (2,559)

Fund Balance-January 1, 443,916

Fund Balance December 31, \$ 441,357

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

# White River Conservation District Notes to the Financial Statements December 31, 2020

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the White River Conservation District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 District's accounting policies are described below:

### Reporting Entity

These financial statements present the financial position and results of operations of the District, a political subdivision of the State of Colorado created on June 1, 1959. The District is supported by a mill levy on real property located in the District. The function of the District is to make available technical, financial, and educational resources, whatever their source, and focus or coordinate them so that they meet the needs of the local land manager with conservation of soil, water, and related natural resources. The District's mission is to provide guidance and technical assistance, to encourage and promote the wise use of all-natural resources within the District by private landowners and government land management agencies.

A five-member board governs the District.

These financial statements include only the District as there are no component units required to be included in accordance with GASB Statement No 14.

### Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period. The District has only one governmental fund, the General *Fund*, which is the general operating fund of the District.

### Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred.

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available

**White River Conservation District**  
**Notes to the Financial Statements**  
**December 31, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivables are considered to be fully collectible, therefore no allowance had been recorded.

Property Taxes Receivable

Property taxes for the current year are levied and attached as a lien on property on January 1 of the succeeding year. They are payable in full by April 30 or in two equal installments due on February 28 and June 15. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31. However, since the property taxes are not available to pay current liabilities, the receivable is reported as deferred revenue.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Full-time employees earn ½ day per pay period (13 days per year). Annual leave is earned from the first day of employment and may be used beginning six months after first day of employment. Upon termination, if within the six months no leave will be paid. After six months the employee will be paid at their current rate of pay up to a maximum of 80 hours. Part-time employees are paid using the above but prorated by percentage of hours worked to full-time hours.

Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use by external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Implementation of GASB Statement No. 75

As of January 1, 2019, the District adopted GASB Statement No.75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The implementation of this standard requires governments calculate and report the cost and obligations associated with postemployment benefits in their basic financial statements. Employers are required to recognize other postemployment benefit amounts for all benefits provided through the Plan which includes the net postemployment liability, deferred outflows of resources, deferred inflows of resources, and postemployment expense.

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

**NOTE 2 - TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

**NOTE 3 – BUDGETS**

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law for all governmental, proprietary, and trust funds.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. No changes were made to the originally adopted budget.
- F. Budget appropriations lapse at the end of each year.
- G. The District adopts budgets on a basis that is consistent with GAAP.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102% of the uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations secured by first lien mortgages on real property located in the state. PDPA allows the institutions to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

On December 31, 2020, the carrying amounts of the District's deposits were \$133,746. Of the bank balances all is covered by FDIC depository insurance.

**Net Asset Value Investment**

The District had invested \$556,904 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank.

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 4 - DEPOSITS AND INVESTMENTS-continued

The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard and Poor's, Fitch's and Moody's rating services. The General Funds share of the amount is \$556,904. *These Investments are measured at Net Asset Value.*

NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded commercial coverage in any of the past three years.

NOTE 6 – FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

During 2019, the District implemented GASB 54, Fund Balance Classification. With this new GASB, the fund balance is broken into five classifications. (1) Non-spendable – not in spendable form, (2) Restricted-fund constrained by external parties, (3) Committed – constraints on use of funds imposed by the highest level of decision making authority, in the District's case that is the Board of Directors. The funds must be established, modified, or rescinded by use of resolution of the Board. (4) Assigned – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the District's case that is the Executive Director and (5) Unassigned – which are funds available for any purpose. The District does not have Committed or Assigned fund classifications in 2020.

It is the District's policy to spend restricted funds first, then unrestricted funds, for the purpose for which the restriction dictates. Committed and assigned funds are spent first, when expenditure is incurred for which the commitment or assigned designation was established.

The District does have fund classifications as follows:

- Restricted which is dictated by Colorado State Law and grant requirements
- Nonspendable
- Unassigned.

NOTE 7 -PENSION PLAN PERA-(INFORMATION FROM DECEMBER 31, 2019, AS CURRENT INFORMATION NOT AVAILABLE IN TIME TO FILE CURRENT YEAR)

White River Conservation District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined 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.

*Plan Description:* Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund, 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 that can be obtained at [www.copera.org/investmnet/pera-financial-reports](http://www.copera.org/investmnet/pera-financial-reports).

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 7 -PENSION PLAN PERA-continued

*Benefits Provided:* 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 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent 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.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by the 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 percent or 100 percent 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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost of living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent 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 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's annual increase reserve for the LGDFT.

*Contributions:* Eligible employees and the District are required to contribute to the LGDFT 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 percent of their PERA-includable salary. The employer contribution requirement is summarized as follows:

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 7 -PENSION PLAN PERA-continued

Years Ended December 31	2019	2018
Employer contribution rate as a percent of salary	10.00%	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%	-1.02%
Amount Apportioned to the LGDTF	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R. S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SASED) as specified in C.R. S § 24-51-411	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%	12.68%

Employer contributions are recognized by the LGDTF in 'the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$16,973 for the year ended December 31, 2019.

At December 31, 2019, the District reported a liability of \$142,166 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, 2019. The District's proportion of the net pension liability was based on 'the District's contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019. The District's proportion was 0.019 percent, compared to 2018 of 0.015 as of December 31, 2018.

For the year ended December 31, 2019, the District recognized pension expense of \$5,332. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2019	Deferred Outflow of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,303	\$ -
Net Difference between projected and actual earnings on pension plan investments	-	65,600
Change in assumptions	-	-
Contributions subsequent to the measurement date	13,962	-
Total	\$ 23,265	\$ 65,600

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 7 -PENSION PLAN PERA-continued

Deferred outflows of resources related to pensions of \$18,339, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2020.

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

Year Ending December 31		\$	
2020			9,837
2021			16,704
2022			2,473
2023			19,845
2024			-
Thereafter			-

*Actuarial Assumptions:* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, 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	3.2%-10.45%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 (automatic)	1.25%
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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 percent factor applied to males and a 55 percent factor applied to female rates.

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.

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.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 7 -PENSION PLAN PERA-continued

As the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset 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	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Private Equity	8.50%	6.60%
Opportunity Fund	6.00%	3.80%
Cash	1.00%	0.20%
Total	100.00%	

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

*Discount Rate:* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop .05 percent every year until they are zero. Based on those assumptions, the 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 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. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the White River Conservation District 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 ratio of 7.25 percent, 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 percent) or 1 percentage point higher (8.25 percent) than the current rate.

December 31, 2019	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25)
Proportionate share of the net pension liability	\$ 261,150	\$ 142,165	\$ 42,103

*Pension Plan Fiduciary Net Position:* Detailed information about the LGDTF's fiduciary net position is available IN PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investment/pera-financial-reports](http://www.copera.org/investment/pera-financial-reports).

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 7 -PENSION PLAN PERA-continued

Employees of the White River Conservation District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51 Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS--(INFORMATION FROM DECEMBER 31, 2019, AS CURRENT INFORMATION NOT AVAILABLE IN TIME TO FILE CURRENT YEAR)

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit Other Post Employment Benefit Plan (OPEB) fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, 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.

General Information about the OPEB Plan:

*Plan Description:* Eligible employees of the District are provided with OPEB through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended.

*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.

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.

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.

*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.

*Contributions* Pursuant to Title 24, Article 51, section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent 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 District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$1,365 for the year ended December 31, 2019.

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS-continued

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:* At December 31, 2019, the district reported a liability of \$17,077 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF 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, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District proportion of the net OPEB liability was based on the District 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 district proportion was .0001 percent which was approximately the same as its proportion measured as of December 31, 2017

For the year ended December 31, 2019, The District recognized OPEB expense of \$1,046 At December 31, 2019, the District did not have deferred outflows of resources and deferred inflows of resources related to OPEB that were material to the financial statements.

*Actuarial Assumptions:* The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Wage Inflation	3.50%
Salary increase, including Wage Inflation	3.50 % in aggregate
Long-term Investment Rate of Return, net of OPEB	
Plan Investment 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	5.6% in 2019 gradually decreasing to 4.5% in 2029
Medicare Part A Premiums	3.50% for 2019, gradually rising to 4.50%in 2029

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.

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 cost associated with providing benefits to those PERACare enrollees not eligible for premium free Medicare Part A.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table on the next page

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS-continued

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

Health 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 percent factor applied to male rates and a 55 percent factor applied to female rates.

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. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

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 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 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 asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table on the next page::

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS-continued

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 provided a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Sensitivity of the District 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 rates that are 1 percentage point lower or 1 percentage point higher than the current rate

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rates	4.60%	5.60%	6.60%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
<b>Net OPEB Liability</b>	\$ 16,336	\$ 16,729	\$ 17,192

*Discount Rate:* The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent 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 in 7.25 percent.

**White River Conservation District  
Notes to the Financial Statements  
December 31, 2020**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS-continued

*Sensitivity of the District 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 percent, 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%)
December 31, 2019			
Proportionate share of the net OPEB liability	\$ 18,920	\$ 16,729	\$ 14,863

*OPEB Plan Fiduciary Net Position:* Detailed information about the HCTF's fiduciary net position is available in OPEB's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Net Position-December 31, 2019, as previously reported	\$ 633,276
Restatement due implementation of GASB 75	(16,733)
Restatement due implementation of GASB 68	(172,627)
Net Position- December 31, 2019, as restated	\$ 443,916

## REQUIRED SUPPLEMENTARY INFORMATION

WHITE RIVER CONSERVATION DISTRICT

**Schedule of Employer Pension Contributions**

Year Ended December 31	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2019	\$ 18,339	\$ 18,339	\$ 133,859	13.70%
2018	13,768	13,768	100,496	13.70%
2017	13,807	13,807	100,781	13.70%
2016	14,214	14,214	103,755	13.70%
2015	12,768	12,768	93,196	13.70%

Until a full 10-years trend is compiled, the District will present information for those years for which information is available.

**Schedule of Employer OPEB Contribution**

Year Ended December 31	Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2019	\$ 1,365	\$ 1,365	\$ 133,859	1.02%
2018	1,025	1,025	100,496	1.02%
2017	1,028	1,028	100,781	1.02%
2016	1,058	1,058	103,755	1.02%

Until a full 10-years trend is compiled, the District will present information for those years for which information is available.

WHITE RIVER CONSERVATION DISTRICT

**Schedule of the District's Proportionate Share of Net Pension Liability**

Year Ended December 31	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Total Pension Liability
2019	0.0019%	\$ 142,167	\$ 133,859	106.2%	86.26%
2018	0.0153%	192,631	100,496	191.7%	75.96%
2017	0.0160%	177,876	100,781	176.5%	79.37%
2016	0.0171%	231,151	103,755	222.8%	73.60%
2015	0.0164%	147,086	93,196	157.8%	76.90%

Until a full 10-years trend is compiled, the District will present information for those years for which information is available.

**Schedule of the District's Proportionate Share of Net OPEB Liability**

Year Ended December 31	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net OPEB Liability
2019	0.0015%	\$ 16,733	\$ 133,861	12.50%	24.49%
2018	0.0012%	16,166	100,496	16.09%	17.03%
2017	0.0012%	17,077	100,781	16.94%	17.53%

WHITE RIVER CONSERVANCY DISTRICT  
Statement of Revenues, Expenditures - Budget to Actual-General Fund  
For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE:</b>			
General Property Taxes	\$ 35,180	\$ 32,636	\$ (2,544)
Contribution	90,000	90,001	1
Equipment Rental	1,400	653	(747)
Grants	338,833	210,777	(128,056)
Reimbursements	17,596	14,289	(3,307)
Interest Income	10,000	3,900	(6,100)
Sale of Supplies	11,300	9,223	(2,077)
Other Income	1,000	1,153	153
	<u>505,309</u>	<u>362,632</u>	<u>(142,677)</u>
<b>EXPENDITURES:</b>			
Operating Expenses:			
Grant Expenses	233,000	151,474	81,526
Equipment Repairs	1,300	419	881
Horse & Burro Coalition Expense	0	229	(229)
Cost of Supplies	11,250	7,253	3,997
Total Operating Expenses	<u>245,550</u>	<u>159,375</u>	<u>86,175</u>
General & Administrative:			
Advertising	500	936	(436)
Accounting	5,000	8,753	(3,753)
Office	3,850	2,864	986
Payroll & Related Expense	260,514	176,008	84,506
Insurance	2,650	310	2,340
Dues	3,550	3,806	(256)
Newsletter	4,200	2,441	1,759
Telephone/Internet	1,500	1,724	(224)
Training	2,000	289	1,711
Travel	18,500	3,677	14,823
Meetings	5,500	3,031	2,469
Public Education	500	408	92
Treasurer Fees	1,800	1,569	231
Resource & Land Use Plan Update	2,500	-	2,500
Total General & Administrative	<u>312,564</u>	<u>205,816</u>	<u>106,748</u>
Total Expenses	<u>558,114</u>	<u>365,191</u>	<u>192,923</u>
Revenue Over (under) Expenditure	<u>(52,805)</u>	<u>(2,559)</u>	<u>50,246</u>
Fund Balance January 1,	650,133	443,916	(206,217)
Fund Balance December 31,	<u>\$ 597,328</u>	<u>\$ 441,357</u>	<u>\$ (155,971)</u>