

**ELIZABETH PARK AND
RECREATION DISTRICT**

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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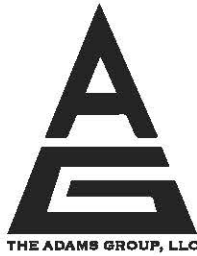
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Elizabeth Park and Recreation District
Elbert County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, of the Elizabeth Park and Recreation District, (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.

Auditors' 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 auditors' judgement, 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 District'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 District'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Elizabeth Park and Recreation District as of December 31, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

For the year ended December 31, 2020, the District recorded a prior period adjustment to capital assets to account for prior depreciation which had not been recorded in prior years. As a result, capital assets and net position were overstated in 2019. See Note 10 for additional information. Our opinions were not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion on and analysis on pages 4 - 8, budgetary comparison information on pages 47 and the District's proportionate share of the net pension liability, net OPEB liability and schedules of employer contributions and related ratios on pages 48 - 51 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elizabeth Park and Recreation District's basic financial statements. The Proprietary Fund budget comparison schedule at 52, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Proprietary Fund budget comparison schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Adams Group, LLC

April 21, 2021
Denver, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Elizabeth Parks and Recreation District (the District), we offer 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

- At the government-wide level, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$3,315,351, an increase of \$88,287 compared to the net position in 2019. Of this amount, the unrestricted net position of \$150,216 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of \$344,920, a decrease of \$165,894. This significant decrease is due to capital outlay associated with the purchase of land for the Casey Jones Park Expansion.
- As of December 31, 2020, fund balance of the District included restricted fund balance of \$182,253, assigned fund balance of \$377,559, and unassigned fund balance of (\$240,048).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

- 1) Government-wide financial statements;
- 2) Fund financial statements; and
- 3) Notes to the financial statements.

This report also provides required supplementary information and other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and deferred inflows of resources and liabilities and deferred outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and parks and recreation. The business-type activities of the District include recreation activities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and enterprise funds.

Government Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The District's major governmental fund is the General Fund. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance provides a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

General Fund

Administration of general District operations is accomplished through the General Fund. At the end of 2020, the fund balance was \$344,920, compared to the beginning balance of \$510,814, a decrease of \$165,894.

Proprietary Funds

The District has one Enterprise Fund.

The Proprietary Fund, an *Enterprise Fund*, is used to account for the proceeds from recreational services and park access fees. The net gain for the year was \$64,451, which resulted in an ending net position of \$443,785.

Schedules and Notes to the Financial Statements

- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial statements can be found on pages 18 through 46 of this report.
- The General Fund budget schedule can be found at 47 and the pension and OPEB required supplementary information can be found on 48 through 51.
- The proprietary fund budget schedule is shown on page 52.

FINANCIAL ANALYSIS OF THE DISTRICT

The Statement of Net Position and the Statement of Activities reports information about the District’s activities in a way that can help a reader understand operations of the District. These two statements report the District’s net position and changes in net position. As previously mentioned, the government-wide financial statements are designed to provide readers with a broad overview and long-term analysis of the District’s finances, in a manner similar to a private-sector business.

The following schedule summarizes the District’s net position as of December 31:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019	2020	2019
Assets						
Current and other assets	\$ 946,269	\$ 1,108,015	\$ 365,968	\$ 271,803	\$ 1,312,237	\$ 1,379,818
Capital assets	4,160,012	2,586,821	175,613	185,888	4,335,625	2,772,709
Total Assets	<u>5,106,281</u>	<u>3,694,836</u>	<u>541,581</u>	<u>457,691</u>	<u>5,647,862</u>	<u>4,152,527</u>
Deferred outflows of resources	60,814	248,898	20,991	57,411	81,805	306,309
Liabilities						
Current liabilities	101,997	18,617	6,211	20,713	108,208	39,330
Long-term liabilities	1,511,889	423,561	81,220	97,699	1,593,109	521,260
Total Liabilities	<u>1,613,886</u>	<u>442,178</u>	<u>87,431</u>	<u>118,412</u>	<u>1,701,317</u>	<u>560,590</u>
Deferred inflows of resources	681,643	653,826	31,356	17,356	712,999	671,182
Net Position:						
Net investment in capital assets	2,807,269	2,586,821	175,613	185,888	2,982,882	2,772,709
Restricted	182,253	246,295	-	-	182,253	246,295
Unrestricted	(117,956)	14,614	268,172	193,446	150,216	208,060
Total Net Position	<u>\$ 2,871,566</u>	<u>\$ 2,847,730</u>	<u>\$ 443,785</u>	<u>\$ 379,334</u>	<u>\$ 3,315,351</u>	<u>\$ 3,227,064</u>

*Prior period balances have been adjusted to reflect the current year prior period adjustment. See Note 10 for additional information on current year impact.

As seen in the Statement of Net Position, the District’s overall net position ended 2020 at \$3,315,351. Capital assets saw the largest change as a result of a land purchase during 2020 in the amount of \$1,600,000 and the prior period adjustment as disclosed Note 10. In addition, long-term liabilities increased due to a lease purchase agreement entered into during 2020 by the District. The restricted component of net position totals \$182,253, which was a decrease of

\$64,042 from 2019. The restrictions include the 3 percent of fiscal spending reserve for emergencies regarding the Taxpayer’s Bill of Rights (TABOR) and restrictions related to the unspent Conservation Trust Funds.

While the Statement of Net Position shows the change in financial position of the District, the Statement of Activities provides the information as to the source of this overall change. The following schedule summarizes the changes in the District’s net position during 2020 and 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019	2020	2019
Program revenues:						
Charges for services	\$ -	\$ -	\$ 369,093	\$ 308,778	\$ 369,093	\$ 308,778
Operating grants and contributions	77,448	85,360	-	41	77,448	85,401
Capital grants and contributions	67,500	78,086	-	-	67,500	78,086
General revenues:						
Property taxes	578,352	496,722	-	-	578,352	496,722
Specific ownership taxes	101,701	97,901	-	-	101,701	97,901
Interest and other income	14,021	24,123	-	-	14,021	24,123
Total revenues	<u>839,022</u>	<u>782,192</u>	<u>369,093</u>	<u>308,819</u>	<u>1,208,115</u>	<u>1,091,011</u>
Expenses:						
General government	580,764	421,578	-	-	580,764	421,578
Parks and recreation	164,253	90,145	304,642	248,834	468,895	338,979
Interest and fiscal charges	70,169	-	-	-	70,169	-
Total expenses	<u>815,186</u>	<u>511,723</u>	<u>304,642</u>	<u>248,834</u>	<u>1,119,828</u>	<u>760,557</u>
Change in Net Position	23,836	270,469	64,451	59,985	88,287	330,454
Net Position, January 1	<u>2,847,730</u>	<u>4,776,248</u>	<u>379,334</u>	<u>319,349</u>	<u>3,227,064</u>	<u>5,095,597</u>
Prior period adjustment*	<u>-</u>	<u>(2,198,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,198,987)</u>
Net Position, December 31	<u>\$ 2,871,566</u>	<u>\$ 2,847,730</u>	<u>\$ 443,785</u>	<u>\$ 379,334</u>	<u>\$ 3,315,351</u>	<u>\$ 3,227,064</u>

*Prior period balances have been adjusted to reflect the current year prior period adjustment. See Note 10 for additional information on current year impact.

For 2020, total revenues were 10.7 percent higher when compared to 2019. This increase is mainly attributed to an increase in property taxes. While the business-type activities saw an increase in charges for services during 2020 when compared to 2019, there was also an increase in expenses from 2019 to 2020 due to the Covid-19 pandemic and refunds issued during 2020.

Fund Financial Analysis

Fund balance at year-end for the General Fund showed a decrease of \$165,894 which was a direct result of a \$250,000 capital outlay payment made by the District during 2020. General Fund revenues increased by 7.3 percent with the main increase being related to property taxes from 2019 to 2020.

Proprietary Fund charges for services increased \$60,315 or 19.5 percent from 2019 to 2020. However, this increase was offset by an increase in refunds of \$51,742 as a result of the Covid-19 pandemic.

Budget Variances and Amendments

The District amended its original budget in 2020. The budget presentations are presented on pages 47 and 52.

CAPITAL ASSETS

The District's capital assets for its governmental activities as of December 31, 2020 was \$4,160,012 and \$175,613 related to its business-type activities. During 2020, the District purchases additional land in the amount of \$1,600,000, however, this increase in capital assets was offset by a prior period adjustment recorded in 2020.

See additional information related to capital assets in Note 3 of the financial statements and Note 10 related to the prior period adjustment.

LONG-TERM DEBT

During the year ended December 31, 2020, the District entered into a lease purchase agreement in the amount of \$1,390,000. At year-end, the District had \$1,352,743 in outstanding long-term debt related to the lease purchase agreement. The District had an additional \$5,422 outstanding related to compensated absences.

See Note 5 for additional information related to long-term debt of the District.

NEXT YEAR'S BUDGET AND RATES

The District's General Fund balance at the end of fiscal year 2020 was \$344,920. The District's 2021 budget outlined total expenditures over total revenues in the amount of \$377,559. The District's Board considered many factors when setting the District's budget, including fees and charges. The Covid-19 pandemic continues to be of concern and the financial impact cannot be reasonably estimated at this time.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Elizabeth Park and Recreation District Finance Department, 34201 County Road 17, Elizabeth, Colorado 80107.

BASIC FINANCIAL STATEMENTS

ELIZABETH PARK AND RECREATION DISTRICT

Statement of Net Position

December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and investments	\$ 530,704	\$ -	\$ 530,704
Cash and investments - restricted	157,083	-	157,083
Cash with County Treasurer	8,492	-	8,492
Property taxes receivable	590,802	-	590,802
Internal balances	(365,968)	365,968	-
Prepaid items	25,156	-	25,156
Total Current Assets	946,269	365,968	1,312,237
Capital Assets			
Capital assets, not being depreciated	1,921,000	81,000	2,002,000
Capital assets, net of accumulated depreciation	2,239,012	94,613	2,333,625
Total Capital Assets	4,160,012	175,613	4,335,625
Total Assets	5,106,281	541,581	5,647,862
Deferred Outflows of Resources			
Related to pension	53,113	18,334	71,447
Related to OPEB	7,701	2,657	10,358
Total Deferred Outflows of Resources	60,814	20,991	81,805
Liabilities			
Current Liabilities			
Accounts payable	2,469	4,695	7,164
Accrued liabilities	8,078	1,516	9,594
Accrued interest	9,875	-	9,875
Long-term liabilities - current	81,575	-	81,575
Total Current Liabilities	101,997	6,211	108,208
Long-term Liabilities			
Long-term liabilities	1,276,590	-	1,276,590
Net pension liability	210,521	72,667	283,188
Net OPEB liability	24,778	8,553	33,331
Total Long-term Liabilities	1,511,889	81,220	1,593,109
Total Liabilities	1,613,886	87,431	1,701,317
Deferred Inflows of Resources			
Deferred property taxes	590,802	-	590,802
Related to pension	86,127	29,729	115,856
Related to OPEB	4,714	1,627	6,341
Total Deferred Inflows of Resources	681,643	31,356	712,999
Net Position			
Net investment in capital assets	2,807,269	175,613	2,982,882
Restricted for:			
Emergency reserve	25,170	-	25,170
Conservation trust funds	157,083	-	157,083
Unrestricted	(117,956)	268,172	150,216
Total Net Position	\$ 2,871,566	\$ 443,785	\$ 3,315,351

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

ELIZABETH PARK AND RECREATION DISTRICT

Statement of Activities

For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions			
Primary Government:							
Governmental Activities							
General government	\$ 580,764	\$ -	\$ -	\$ -	\$ (580,764)	\$ -	\$ (580,764)
Parks and recreation	164,253	-	77,448	67,500	(19,305)	-	(19,305)
Interest and fiscal charges	70,169	-	-	-	(70,169)	-	(70,169)
Total Governmental Activities	815,186	-	77,448	67,500	(670,238)	-	(670,238)
Business-type Activities							
Park programs	304,642	369,093	-	-	-	64,451	64,451
Total	\$ 1,119,828	\$ 369,093	\$ 77,448	\$ 67,500	(670,238)	64,451	(605,787)
General Revenues:							
Property taxes					578,352	-	578,352
Specific ownership taxes					101,701	-	101,701
Investment earnings					3,127	-	3,127
Other income					10,894	-	10,894
Total General Revenues					694,074	-	694,074
Change in Net Position					23,836	64,451	88,287
Net Position - Beginning (as Restated)					2,847,730	379,334	3,227,064
Net Position - Ending					\$ 2,871,566	\$ 443,785	\$ 3,315,351

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

ELIZABETH PARK AND RECREATION DISTRICT

Governmental Fund – Balance Sheet

December 31, 2020

	<u>General</u>
Assets	
Cash and investments	\$ 530,704
Cash and investments - restricted	157,083
Accounts receivable:	
Due from County Treasurer	8,492
Property taxes	590,802
Prepaid items	<u>25,156</u>
Total Assets	<u>\$ 1,312,237</u>
Liabilities	
Accounts payable	\$ 2,469
Accrued payroll	8,078
Amounts due to other funds	<u>365,968</u>
Total Liabilities	<u>376,515</u>
Deferred Inflows of Resources	
Deferred property taxes	<u>590,802</u>
Total Deferred Inflows of Resources	<u>590,802</u>
Fund Balances	
Nonspendable:	
Prepaid items	25,156
Restricted for:	
Emergencies	25,170
Conservation Trust	157,083
Assigned for:	
Subsequent Year Budgeted Expenditures	377,559
Unassigned	<u>(240,048)</u>
Total Fund Balance	<u>344,920</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,312,237</u>

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

ELIZABETH PARK AND RECREATION DISTRICT
 Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
 December 31, 2020

Amounts reported for governmental activities in the statement of net position
 are different because:

Fund balance of Governmental funds	\$	344,920
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		4,160,012
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		
Lease payable		(1,352,743)
Accrued interest payable		(9,875)
Compensated absences		(5,422)
Pension and OPEB liabilities and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements:		
Net pension liability		(210,521)
Net OPEB liability		(24,778)
Deferred outflows related to pension		53,113
Deferred outflows related to OPEB		7,701
Deferred inflows related to pension		(86,127)
Deferred inflows related to OPEB		(4,714)
Net Position of Governmental Activities	\$	<u><u>2,871,566</u></u>

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

ELIZABETH PARK AND RECREATION DISTRICT
 Governmental Fund – Statement of Revenues, Expenditures,
 And Changes in Fund Balance
 For the Year Ended December 31, 2020

	General
Revenues	
Taxes	\$ 680,053
Intergovernmental revenues	77,448
Charges for services	67,500
Miscellaneous income	14,021
Total Revenues	839,022
Expenditures	
General government	533,123
Capital outlay	1,764,242
Debt service:	
Principal	37,257
Interest	20,294
Issuance costs	40,000
Total Expenditures	2,394,916
Excess (Deficiency) of Revenues Over Expenditures	(1,555,894)
Other Financing Sources	
Lease proceeds	1,390,000
Total Other Financing Sources	1,390,000
Net Change In Fund Balances	(165,894)
Fund Balance - Beginning of Year	510,814
Fund Balance - End of Year	\$ 344,920

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

ELIZABETH PARK AND RECREATION DISTRICT
 Reconciliation of the Governmental Fund Statement of Revenues, Expenditures
 And Changes in Fund Balance to the Statement of Activities
 For the Year Ended December 31, 2020

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

Net change in fund balances - Total governmental funds \$ (165,894)

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,737,444
Depreciation expense	(161,141)
Loss on disposal	(3,112)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. This amount is the effect of these differences in the treatment of long term debt and related items:

Bonds proceeds	(1,390,000)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental funds.

Change in accrued interest payable	(9,875)
Change in accrued compensated absences	(5,422)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

37,257

Net pension liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of pension expense.

(16,928)

Net OPEB liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of OPEB expense.

1,507

Change in Net Position of Governmental Activities

\$ 23,836

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

ELIZABETH PARK AND RECREATION DISTRICT
PROPRIETARY FUND
Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended December 31, 2020

Assets	
Current Assets	
Amounts due from other funds	\$ 365,968
Total Current Assets	<u>365,968</u>
Capital Assets	
Land	81,000
Buildings	207,044
Machinery and equipment	17,491
Parks	249,572
Total Capital Assets	<u>555,107</u>
Less accumulated depreciation	(379,494)
Total Capital Assets, Net of Accumulated Depreciation	<u>175,613</u>
Total Assets	<u>541,581</u>
Deferred Outflows of Resources	
Deferred outflows relating to pensions	18,334
Deferred outflows relating to OPEB	2,657
Total Deferred Outflows of Resources	<u>20,991</u>
Liabilities	
Current Liabilities	
Accounts payable	4,695
Accrued payroll	1,516
Total Current Liabilities	<u>6,211</u>
Long-term Liabilities	
Net pension liability	72,667
Net OPEB liability	8,553
Total Long-term Liabilities	<u>81,220</u>
Total Liabilities	<u>87,431</u>
Deferred Inflows of Resources	
Deferred inflows of resources relating to pensions	29,729
Deferred inflows of resources relating to OPEB	1,627
Total Deferred Inflows of Resources	<u>31,356</u>
Net Position	
Net investment in capital assets	175,613
Unrestricted	268,172
Total Net Position	<u>\$ 443,785</u>

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

ELIZABETH PARK AND RECREATION DISTRICT
PROPRIETARY FUND
Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended December 31, 2020

Operating Revenues	
Program revenue	\$ 369,093
Total Operating Revenues	369,093
Operating expenses	
Payroll and related costs	128,904
Other operating costs	165,463
Depreciation	10,275
Total Operating Expenses	304,642
Income From Operations	64,451
Change in Net Position	64,451
Net Position - Beginning of Year	379,334
Net Position - End of Year	\$ 443,785

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

ELIZABETH PARK AND RECREATION DISTRICT
PROPRIETARY FUND
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash Flows From Operating Activities:	
Receipts from customers	\$ 369,093
Payments to suppliers	(157,261)
Payments to employees and related expenses	(94,523)
Payments to contract labor	(21,346)
Other cash receipts (payments)	<u>(95,963)</u>
Net Cash Provided by Operating Activities	<u>-</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ -</u></u>
Reconciliation Of Operating Income To Net Cash Provided By Operating Activities	
Net income from operations	<u>\$ 64,451</u>
Adjustments To Reconcile Operating Income To Net Cash (Required) By Operating Activities	
Depreciation	10,275
Changes in Assets and Liabilities:	
(Increase) decrease in prepaid expenses	1,798
(Increase) decrease in due from other funds	(95,963)
Increase (decrease) in accounts payable	(14,942)
Increase (decrease) in accrued payroll	440
Increase (decrease) in Pension and OPEB - related items	
Net pension liability and OPEB liability	(16,479)
Deferred outflows of resources	36,420
Deferred inflows of resources	<u>14,000</u>
Net Adjustments	<u>(64,451)</u>
Net Cash Provided By Operating Activities	<u><u>\$ -</u></u>

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Elizabeth Park and Recreation District (“the District”), located in Elbert County, Colorado (the “County”), conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on July 9, 1986, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to develop and provide park and recreation facilities and services. The District’s primary revenues are property taxes and program services. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which amended GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among programs revenues are reported instead as *general revenues*.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual is property tax.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for the reported in another fund.

The District reports the following major proprietary fund:

Proprietary Fund – The Proprietary Fund accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end. During 2020, the General Fund actual expenditures were greater than budgeted expenditures. This may be a violation of Colorado Budget Statute.

Statement of Cash Flows

For purposes of the statement of cash flows, the District considers cash deposits with a maturity of three months or less to be cash equivalents.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position:

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are reported in accordance with GASB Statement No. 72, as amended.

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the Statement of Net Position.

Property Tax

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayers' election, in February and June.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Delinquent taxpayers are notified by July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Prepaid Items

Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at acquisition cost or estimated acquisition cost.

Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the assets are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge.

Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant, and equipment are depreciated using the straight-line method. The lives of the assets range from 5 to 50 years.

Compensated Absences

It is the District policy to permit employees to accumulate earned but unused paid time off. All paid time off is accrued when incurred in the government wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. Compensated absences for governmental activities are paid for from the General Fund.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements. Debt issuance costs are reported as an outflow of resources.

In the fund financial statements for governmental funds, the par amount of the debt issued is reported as other financing sources. Issuance costs, even if withheld from the debt proceeds received, are reported as debt service expenditures.

Net Pension Liability

The District's governmental activities reports a net pension liability as of December 31, 2020. The District is required to report their proportionate share of PERA's unfunded pension liability. See Note 6 for additional information.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. See Note 7 for additional information.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The District recognizes deferred outflows of resources related to pensions and OPEB. See Notes 6 and 7 for additional information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also recognizes deferred inflow of resources related to pensions and OPEB. See Notes 6 and 7 for additional information.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$25,156 represents prepaid items.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$25,170 of the General Fund balance has been restricted in compliance with this requirement. In addition, a total of \$157,083 is shown as restricted which accounts for the Conservation Trust Fund revenues received and restricted for a specific purpose.

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Director. The District's balance of committed fund balance is \$0 at December 31, 2020.

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority. At December 31, 2020, the District has \$377,559 in assigned fund balance related to subsequent year's budgeted expenditures.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District may report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, except for construction in progress, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflow of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the District will use the most restrictive net position first.

Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

As of December 31, 2020, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 530,704
Cash and investments - restricted	157,083
Total	<u>\$ 687,787</u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with financial institutions	\$ 444,237
Investments - ColoTrust	243,550
Total	<u>\$ 687,787</u>

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Deposits

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. District bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the District's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (PDPA). The PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance.

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, the carrying amount of the District's deposits was \$444,237 and the bank balance was \$501,694 of which \$250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

The District follows State statutes which allow the following investments:

- Obligations of the United States, certain U.S. government agency securities and the World Bank
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Credit risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado Statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2020, the District had \$243,550 invested in ColoTrust. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The local government investment pool is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+.

Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by the U.S. Treasury Securities.

ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trust. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment in ColoTrust is measured at net asset value, equal to \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

<i>Governmental Type Activities:</i>	Balance 12/31/2019*	Additions	Deletions	Balance 12/31/2020
Capital assets not being depreciated:				
Land	\$ 321,000	\$ 1,600,000	\$ -	\$ 1,921,000
Total capital assets not being depreciated:	321,000	1,600,000	-	1,921,000
Capital assets being depreciated:				
Land and park improvements	3,874,984	19,893	(80,000)	3,814,877
Machinery, equipment	165,026	44,556	(3,500)	206,082
Parks, equipment	727,328	72,995	(3,112)	797,211
Total capital assets being depreciated:	4,767,338	137,444	(86,612)	4,818,170
Depreciation	(2,501,517)	(161,141)	83,500	(2,579,158)
Net capital assets being depreciated:	2,265,821	(23,697)	(3,112)	2,239,012
Government type assets, net	\$ 2,586,821	\$ 1,576,303	\$ (3,112)	\$ 4,160,012

*See Note 10 for documentation related to prior period adjustment impacting beginning balance of accumulated depreciation. In addition, reclassifications have been made among asset groups shown.

The District recognized depreciation of \$161,141 for the year ended December 31, 2020, of which, 100% was allocated to the Parks and Recreation expense function on the Statement of Activities.

<i>Business Type Activities:</i>	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Capital assets, not being depreciated:				
Land	\$ 81,000	\$ -	\$ -	\$ 81,000
Capital assets being depreciated:				
Land and buildings	207,044	-	-	207,044
Equipment	16,091	-	-	16,091
Park	249,572	-	-	249,572
Total capital assets	553,707	-	-	553,707
Depreciation	(367,819)	(10,275)	-	(378,094)
Business type assets, net	\$ 185,888	\$ (10,275)	\$ -	\$ 175,613

The District is responsible for the maintenance and repair of the capital assets.

NOTE 4 - INTERGOVERNMENTAL AGREEMENTS

On September 6, 2002, the District passed a resolution to consent to the overlapping of boundaries with Elbert and Highway 86 Metropolitan District and the District. On December 5, 2002, the District entered into an agreement with Elbert and Highway 86 Metropolitan District for the purpose of constructing park and recreation facilities within the District. Elbert and Highway 86 Metropolitan District shall construct a regional park and recreation fields, and related irrigated open space totaling approximately 7.37 acres located in the Elbert and Highway 86 Metropolitan District. Upon completion, the park and irrigation system shall be conveyed to Elizabeth Park and Recreation District with the exception of a trail within the park which shall be owned and operated by the Elbert and Highway 86 Metropolitan District.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

The irrigation water shall be supplied to Elizabeth Park and Recreation District at a substantially discounted usage rate. There shall be a \$1,500 Development Impact Fee collected at the issuance of each building permit and paid to the Elizabeth Park and Recreation District.

On August 17, 2004, the District entered into an agreement with the developer of land in the Spring Valley Metropolitan District. Spring Valley Metropolitan District will provide certain park and recreation services which will overlap the boundaries of Elizabeth Park and Recreation District therefore the developer has agreed to pay to Elizabeth Park and Recreation District, \$350 per residential lot at the time the building permits are issued.

On October 24, 2005, the District entered into an agreement with Pfeifer Johnson LLC, the developer of land in Britanie Ridge Metropolitan District. The boundaries of the Elizabeth Park and Recreation District and Britanie Ridge Metropolitan District overlap, therefore the develop of Britanie Ridge Metropolitan District shall pay a development impact fee of \$750 pe lot to the Elizabeth Park and Recreation District upon issuance of a building permit.

On August 21, 2007, the District entered in an agreement with Gold Creek Commons, LLC, the developer of land in Gold Creek Commons Metropolitan District. The boundaries of the Elizabeth Park and Recreation District and Cold Creek Metropolitan District overlap, therefore, the Developer of Gold Creek Metropolitan District shall pay a development impact fee of \$1,000 per lot to the Elizabeth Park and Recreation District upon issuance of a building permit.

On March 17, 2009, the District entered into a Development Fee Agreement with Ampaul LLC and Lake Real Estate, LLC, (the developers) developers of land within Ritoro Metropolitan District. The developers have agreed to pay Elizabeth Park and Recreation District \$10,000 at the signing of this agreement and a certain lump-sum amount once the final plat with in the Ritoro Metropolitan District is approved by the Town of Elizabeth, Colorado. The amount ranges from \$75,000 to \$125,000 depending on the year in which the final plat is approved. In 2017, this agreement was amended so the total amount of fees to be paid to the District will be \$135,000.

A lump sum of \$25,000 will be paid upon execution of the amended agreement and then \$325 per lot for each of the 340 lots at the time the building permit is acquired.

In the year ended December 31, 2020, \$67,500 in fees were paid to Elizabeth Park and Recreation District from various developments.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM DEBT

On March 27, 2020, the District entered into a Lease Purchase Agreement in the amount of \$1,390,000 for the acquisition of real property. The interest rate per annum on the interest component of the base rentals is 2.92% per annum, provided that: (i) the interest rate per annum may be increased to 3.06% per annum following any Bank Qualification Adjustment Date (as defined in the Lease); and (ii) interest rate per annum may be increased to 3.59% per annum following any Determination of Taxability (as defined in the lease). Principal and interest payments are made semiannually with a maturity of December 31, 2025.

Long-term liability activity for the year ended December 31, 2020, was as follows:

	<u>12/31/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2020</u>	<u>Due in One Year</u>
Lease Purchase Agreement	\$ -	\$ 1,390,000	\$ (37,257)	\$ 1,352,743	\$ 76,153
Compensated absences	-	6,787	(1,365)	5,422	5,422
Total	<u>\$ -</u>	<u>\$ 1,396,787</u>	<u>\$ (38,622)</u>	<u>\$ 1,358,165</u>	<u>\$ 81,575</u>

A summary of future debt service on the lease purchase agreement follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 76,153	\$ 38,948	\$ 115,102
2022	78,393	36,708	115,102
2023	80,699	34,403	115,102
2024	83,073	32,029	115,102
2025	85,516	29,585	115,102
2026 - 2030	466,823	108,685	575,508
2031 - 2035	482,085	35,872	517,957
	<u>\$ 1,352,743</u>	<u>\$ 316,231</u>	<u>\$ 1,668,974</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan 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.

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, were in effect as of December 31, 2020.

General Information about the Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (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.

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.

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 percent 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.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 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 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.

As of December 31, 2019, 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, the annual increase for 2019 is 0.00% for all benefit recipients.

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 of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10percent of PERA's Annual Increase Reserve for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in 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 lifetime retirement benefit formula(s) 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.

Contribution Provisions

Eligible employees and the District 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 percent of their PERA-includable salary during the period of January 1, 2020 through December 31, 2020.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The employer contribution requirements during the period of January 1, 2020 through December 31, 2020 are summarized in the table below:

	Period of January 1, 2020 through June 30, 2020	Period of July 1, 2020 through December 30, 2020
Employer Contribution Rate ¹	10.00 %	10.50 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98 %	9.48 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	2.20 %	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	1.50 %	1.50 %
Total Employer Contribution Rate to the LGDTF ¹	12.68 %	13.18 %

¹Rates 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 District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$37,567 for the year ended December 31, 2020.

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

At December 31, 2020 the District reported a liability of \$283,188 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the District proportion was 0.03872 percent, which was an increase of 0.00023 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020 the District recognized pension expense of \$53,189. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 18,531	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	115,856
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	15,349	-
Contributions Subsequent to the Measurement Date	37,567	-
Total	<u>\$ 71,447</u>	<u>\$ 115,856</u>

\$37,567 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2021	\$ (4,507)
2022	(33,013)
2023	(4,926)
2024	(39,530)
Total	<u>\$ (81,976)</u>

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	3.50 - 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 January 1, 2007; and DPS Benefit Structure (Automatic) ¹	1.25%
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve (AIR)

¹For 2019, the AI was 0.00 percent.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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 percent factor applied to rates for ages less than 80, a 108 percent 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 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The actuarial assumptions used in the December 31, 2018 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.

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 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:

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
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	<u><u>100.00</u></u>	

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 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 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 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the 2018 AAP assessment, statutorily recognized July 1, 2019 and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop .50 percent 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.
- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- 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 percent 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 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the 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 rate 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:

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 520,196	\$ 283,188	\$ 83,867

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.

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS

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. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies.

Colorado State law provisions may be amended 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.

Benefits provided

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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.

Eligibility to enroll in the PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses, and guardians. 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 percent 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 or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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 Elizabeth Park and Recreation District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$2,963 for the year ended December 31, 2020.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2020 the District reported a liability of \$33,331 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District's proportion was 0.00297 percent, which was a decrease of 0.00002 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized OPEB expense of \$992. At December 31, 2020, the District 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	\$ 111	\$ 5,600
Changes of Assumptions or other Inputs	277	-
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	-	556
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	7,007	185
Contributions Subsequent to the Measurement Date	2,963	-
Total	\$ 10,358	\$ 6,341

\$2,963 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2021	\$ 662
2022	663
2023	824
2024	42
2025	(1,072)
Thereafter	(66)
Total	\$ 1,053

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial assumptions

The total OPEB 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	3.50 % in the 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	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.60% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2019, gradually increasing 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.

The actuarial assumptions used in the December 31, 2018, 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 discussed below.

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 2019 for the PERA Benefit Structure:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>	<u>Premiums for Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$ 601	\$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 (in actual dollars) per month.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (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
Medicare Advantage/Self-Insured Prescription	\$ 562
Kaiser Permanente Medicare Advantage HMO	571

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, 2018, 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
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%

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions 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 percent factor applied to rates for ages less than 80, a 108 percent 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 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent 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 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-214 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the Trust Fund.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

- 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 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- 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.

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 current 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
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	<u>100.00</u>	

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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 percent.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	4.60%	5.60%	6.60%
Ultimate 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%
Proportionate Share of the Net OPEB Liability	\$ 32,539	\$ 33,331	\$ 34,246

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. 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, 2019, 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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 is 7.25 percent.

Sensitivity of the District’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 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 37,687	\$ 33,331	\$ 29,605

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.

NOTE 8 - TAX SPENDING AND DEBT LIMITATION

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District’s management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 - TAX SPENDING AND DEBT LIMITATION (CONTINUED)

The District’s management believes it is in compliance with provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

May 2, 2000, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

NOTE 9 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of , damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the “Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal year.

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 - PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2020, the District determined a prior period adjustment was necessary to adjust capital asset balances reported during the prior year for governmental activities. Prior period adjustment adjusted accumulated depreciation on capital assets which were not previous depreciated by the District. See table below for impact on governmental activities net position.

	As Previously Reported	Prior Period Adjustment	As Adjusted
Government-wide Financial Statements			
Governmental Activities Net Position	\$ 5,046,717	\$ (2,198,987)	\$ 2,847,730
Governmental Activities Capital Assets	4,785,808	(2,198,987)	2,586,821

REQUIRED SUPPLEMENTARY INFORMATION

ELIZABETH PARK AND RECREATION DISTRICT

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 578,584	\$ 578,584	\$ 578,352	\$ (232)
Ownership taxes	143,784	143,784	101,701	(42,083)
Conservation trust grant	75,400	75,400	77,448	2,048
Development fees	24,750	24,750	67,500	42,750
Miscellaneous income	6,500	6,500	10,894	4,394
Interest income	10,750	10,750	3,127	(7,623)
Total Revenues	839,768	839,768	839,022	(746)
Expenditures				
Payroll	169,613	169,613	214,729	(45,116)
Payroll taxes	3,100	3,100	7,053	(3,953)
PERA	43,215	43,215	30,130	13,085
Health insurance	22,350	22,350	34,897	(12,547)
Insurance	26,750	26,750	25,903	847
Supplies	5,375	5,375	11,673	(6,298)
Accounting and auditing	8,500	8,500	16,757	(8,257)
Directors fees	6,000	6,000	7,100	(1,100)
Memberships and associations	-	-	1,665	(1,665)
Training and professional development	2,150	2,150	20	2,130
Gas and oil	4,500	4,500	2,903	1,597
Legal	17,500	17,500	8,599	8,901
Internet / Telephone / Tech	6,550	6,550	6,900	(350)
Printing and copier	1,500	1,500	1,175	325
Professional services	37,500	37,500	50,147	(12,647)
Utilities	33,200	33,200	82,696	(49,496)
Repair and maintenance	25,350	25,350	9,657	15,693
Miscellaneous	500	500	4,190	(3,690)
Treasurer's fees	22,500	22,500	16,929	5,571
Capital outlay	400,250	1,945,678	1,764,242	181,436
Emergency reserve	13,085	13,085	-	13,085
Debt service:				
Principal	-	-	37,257	(37,257)
Interest	-	-	20,294	(20,294)
Issuance Costs	-	-	40,000	(40,000)
Total Expenditures	849,488	2,394,916	2,394,916	-
Excess (Deficiency) of Revenues Over Expenditures	(9,720)	(1,555,148)	(1,555,894)	(746)
Other Financing Sources				
Lease Proceeds	-	-	1,390,000	1,390,000
Total Other Financing Sources	-	-	1,390,000	1,390,000
Net Change In Fund Balance	(9,720)	(1,555,148)	(165,894)	1,389,254
Fund Balance:				
Beginning of Year	661,762	661,762	510,814	(150,948)
End of Year	\$ 652,042	\$ (893,386)	\$ 344,920	\$ 1,238,306

ELIZABETH PARK AND RECREATION DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

Plan Measurement Date, as of December 31,	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.038719%	0.038485%	0.030955%	0.027503%	0.021928%	0.018752%	0.018752%
District's proportional share of the net pension liability	\$ 283,188	\$ 480,690	\$ 428,125	\$ 371,387	\$ 242,956	\$ 168,074	\$ 168,074
District's covered payroll	256,293	254,937	204,031	166,704	181,673	116,604	90,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	110.49%	188.55%	209.83%	222.78%	133.73%	144.14%	186.75%
Plan fiduciary net position as a percentage of the total pension	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%	77.66%

*Information is not available prior to 2013. In future reports, additional years will be added until 10 years historical data is presented.

ELIZABETH PARK AND RECREATION DISTRICT
 Schedule of Contributions and Related Ratios
 Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily Required Contribution	\$ 37,567	\$ 32,498	\$ 32,326	\$ 25,871	\$ 21,138	\$ 23,036	\$ 14,785	\$ 11,412
Contributions in Relation to the Statutorily Required Contribution	<u>37,567</u>	<u>32,498</u>	<u>32,326</u>	<u>25,871</u>	<u>21,138</u>	<u>23,036</u>	<u>14,785</u>	<u>11,412</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 290,538	\$ 256,293	\$ 254,937	\$ 204,031	\$ 166,704	\$ 181,673	\$ 116,604	\$ 90,000
Contributions as a percentage of Covered Payroll	12.93%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

*Information for the prior two years is not available to report

ELIZABETH PARK AND RECREATION DISTRICT
Schedule of Proportionate Share of the Net OPEB Liability
Last Ten Fiscal Years*

<u>Plan Measurement Date, as of December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability	0.00297%	0.00298%	0.00241%	0.00211%
District's proportional share of the net OPEB liability	\$ 33,331	\$ 40,570	\$ 31,260	\$ 27,373
District's covered payroll	256,293	254,937	204,031	166,704
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	13.01%	15.91%	15.32%	16.42%
Plan fiduciary net position as a percentage of the total OPEB	24.49%	17.03%	17.53%	16.72%

*Information is not available prior to 2016. In future reports, additional years will be added until 10 years historical data is presented.

ELIZABETH PARK AND RECREATION DISTRICT
Schedule of OPEB Contributions and Related Ratios
Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily Required Contribution	\$ 2,963	\$ 2,614	\$ 2,600	\$ 2,081	\$ 1,700	\$ 1,853	\$ 1,189	\$ 918
Contributions in Relation to the Statutorily Required Contribution	2,963	2,614	2,600	2,081	1,700	1,853	1,189	918
Contributions Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 290,538	\$ 256,293	\$ 254,937	\$ 204,031	\$ 166,704	\$ 181,673	\$ 116,604	\$ 90,000
Contributions as a percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

*Information for the prior two years is not available to report

SUPPLEMENTARY INFORMATION

ELIZABETH PARK AND RECREATION DISTRICT
 Budgetary Comparison Schedule – Proprietary Fund – Non-GAAP Basis
 For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues				
Program revenue	\$ 325,000	\$ 325,000	\$ 369,093	\$ 44,093
Miscellaneous income	2,350	2,350	-	(2,350)
Total Revenues	<u>327,350</u>	<u>327,350</u>	<u>369,093</u>	<u>41,743</u>
Expenditures				
Contract labor	21,200	21,200	21,346	(146)
Concession costs	5,570	5,570	269	5,301
Cleaning supplies	350	350	-	350
Refunds	11,200	84,200	59,117	25,083
Dues, memberships	1,200	1,200	119	1,081
Professional development	1,250	1,250	-	1,250
Facility rental fees	2,100	2,100	1,925	175
Payroll	135,201	135,201	83,543	51,658
PERA	17,555	17,555	10,400	7,155
Payroll taxes	1,960	1,960	1,020	940
Health insurance	8,862	8,862	-	8,862
Miscellaneous expense	350	350	-	350
Utilities	40,000	40,000	13,798	26,202
Sales tax	420	420	112	308
Program supplies	28,500	28,500	11,693	16,807
Professional services	7,200	7,200	16,326	(9,126)
Recreation equipment	11,500	11,500	4,013	7,487
Repairs and maintenance	27,850	27,850	36,745	(8,895)
Total Expenditures	<u>322,268</u>	<u>395,268</u>	<u>260,426</u>	<u>134,842</u>
Excess (Deficiency) of Revenues Over Expenditures Before Reconciling Items	<u>\$ 5,082</u>	<u>\$ (67,918)</u>	108,667	<u>\$ 176,585</u>
Depreciation			(10,275)	
Non cash pension and OPEB transactions			<u>(33,941)</u>	
Change in net position			64,451	
Net position beginning of year			<u>379,334</u>	
Net position end of year			<u>\$ 443,785</u>	