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**LARIMER COUNTY**  
**CONTRIBUTORY RETIREMENT PLAN**  
*FINANCIAL STATEMENTS*  
*DECEMBER 31, 2020 AND 2019*

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## Independent Auditors' Report

Larimer County Retirement Board  
Larimer County Contributory Retirement Plan  
Fort Collins, Colorado

### Report On The Financial Statements

We have audited the accompanying financial statements of Larimer County Contributory Retirement Plan (the Plan) as of and for the years December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Plan'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 an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2020 and 2019, and the changes in its financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

***Other Matter***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through iii 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, which 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.

*RubinBrown LLP*

June 28, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This is an analysis and overview of the financial activities of the Larimer County Contributory Retirement Plan (the Plan) for the year ended December 31, 2020. This information should be read in conjunction with the financial statements and notes which follow.

### FINANCIAL HIGHLIGHTS

- As of December 31, 2020, \$287,837,373 was held in trust for the payment of Plan benefits to the participants.
- For 2020, the total Plan net position held in trust increased by \$33,290,719 from 2019. This increase is due primarily to an increase in investment income.
- Additions to Plan net position included participant contributions of \$8,491,196 and County matching contributions of \$8,256,440.
- Retirement benefits paid from Plan net position for 2020 totaled \$19,185,267, a decrease of 20% from 2019.

The Plan is a defined contribution plan and its purpose is to enable the Plan participants to accumulate financial assets for their retirement. The County matches employee contributions 100% up to 8% of the participating employee's salary. As of December 31, 2020, the Plan had approximately 2,792 participants with account balances of which approximately 1,857 were active employees, representing about 67% of all participants. Participation in the Plan is mandatory.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements which follow. The statements include:

1. Statements of fiduciary net position
2. Statements of changes in fiduciary net position
3. Notes to financial statements

*Statements of fiduciary net position* present the Plan assets and liabilities as of December 31, 2020 and 2019. It reflects the net position available for benefits in the Retirement Plan as of December 31, 2020 and 2019.

*Statements of changes in fiduciary net position* show the additions to and deductions from Plan assets during 2020 and 2019.

Both of these statements are in compliance with Governmental Accounting Standards Board (GASB) Statements Nos. 34 and 67. These pronouncements address the requirements for financial statement presentation and certain disclosures for state and local governmental retirement plans. The Plan's financial statements comply with all material requirements of these pronouncements.

These statements provide a snapshot of the Plan's assets and liabilities as of December 31, 2020 with comparative totals for 2019, and the activities which occurred during the years. Both statements were prepared using the accrual basis of accounting as required by GASB. All investment activities have been reported based on the trade dates and have been valued based on outside sources.

*Notes to financial statements* provide additional information which is essential to a full understanding of the basic financial statements.

**FINANCIAL ANALYSIS**

Within the overall objective of enabling the employees to accumulate savings for their retirement, the Larimer County Retirement Board (the Board) has identified the following additional objectives:

- to undertake all transactions solely in the interest of the participants and beneficiaries;
- to maintain flexibility in meeting the future needs of the participants;
- to enable participants to exercise investment control;
- to allow participants to maximize return within reasonable and prudent levels of risk by selecting from the investment options offered;
- to include investment options that have reasonable investment management costs;
- to the extent possible, to select investment options that do not result in the imposition of additional participant fees for administration or recordkeeping and to arrange for investment education to be available to the participants.

As sponsor of the Plan, the Board establishes investment policy objectives and guidelines, determines asset classes from which investment options will be chosen, selects investment options and fund managers and monitors the investment performance and continued acceptability of the investment options and fund managers. It is the Board's policy to engage experts to assist it with these duties.

As of December 31, the Plan's net position was:

December 31	2020	2019	Increase (Decrease)	Percent Change
Investments:				
Mutual funds	\$ 244,075,297	\$ 215,971,602	\$ 28,103,695	13%
CCTs	29,387,546	24,851,826	4,535,720	18%
PSAs	8,912,801	9,481,888	(569,087)	-6%
Self-directed brokerage account	5,461,729	4,603,786	857,943	19%
Total investments	287,837,373	254,909,102	32,928,271	13%
Notes receivable	507,406	144,958	362,448	250%
Plan assets	288,344,779	255,054,060	33,290,719	13%
Liabilities	—	—	—	—
Fiduciary net position	\$ 288,344,779	\$ 255,054,060	\$ 33,290,719	13%

## Plan Activities

Plan net position increased as of December 31, 2020 as compared to December 31, 2019, due principally to investment income and contributions being more than benefits paid. The net position increased by \$33,290,719 during 2020. Key elements are discussed below:

### Additions

The monies used to pay benefits are accumulated from the contributions made by the County and each participant and increases or decreases generated from the participant's investments, including investment earnings. County matching contributions for 2020 totaled \$8,256,440, an increase of 5% from 2019. The increase in plan assets from net investment income for 2020 was \$34,803,602.

	2020	2019	Increase (Decrease)	Percent Change
County matching contributions	\$ 8,256,440	\$ 7,831,616	\$ 424,824	5%
Participant contributions	8,491,196	7,999,890	491,306	6%
Investment income (loss)	34,803,602	43,304,361	(8,500,759)	-20%
Participant rollovers	1,999,432	704,837	1,294,595	184%
Less investment costs	(1,016,604)	(1,024,986)	( 8,382)	-1%
<b>Total additions</b>	<b>\$ 52,534,066</b>	<b>\$ 58,815,718</b>	<b>\$ (6,281,652)</b>	<b>-11%</b>

### Deductions

Benefits paid to participants during the year were \$19,185,267 representing a decrease of 20% from 2019. There had been several large distributions made in 2019. Internal costs and staff time are considered to be County costs and are not separately tracked or charged to the Plan.

	2020	2019	Increase (Decrease)	Percent Change
Retirement benefits	\$ 19,185,267	\$ 23,891,093	\$ (4,705,826)	-20%
Service provider fees	58,080	58,081	(1)	0%
<b>Total deductions</b>	<b>\$ 19,243,347</b>	<b>\$ 23,949,174</b>	<b>\$ (4,705,828)</b>	<b>-20%</b>

## REQUESTS FOR INFORMATION

This discussion and analysis is designed to provide a general overview of the Plan's activities for the years ended December 31, 2020 and 2019. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Larimer County Retirement Board, Larimer County Contributory Retirement Plan, P.O. Box 1190, Fort Collins, Colorado 80522.

**LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**  
**STATEMENT OF FIDUCIARY NET POSITION**

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	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Investments - at fair value	\$ 287,837,373	\$ 254,909,102
Receivables		
Notes receivable from participants	507,406	144,958
<b>Total Assets</b>	<b>288,344,779</b>	<b>255,054,060</b>
<b>Fiduciary Net Position - Restricted</b>	<b>\$ 288,344,779</b>	<b>\$ 255,054,060</b>

# LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>For The Year Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<b>Additions To Net Position Attributed To:</b>		
<b>Net Investment Income (Loss)</b>		
Investment income	\$ 34,803,602	\$ 43,304,361
Less: Investment costs	(1,016,604)	(1,024,986)
<b>Net Investment Income (Loss)</b>	<b>33,786,998</b>	<b>42,279,375</b>
<b>Contributions</b>		
Employer	8,256,440	7,831,616
Participant	8,491,196	7,999,890
Participant rollovers/transfers	1,999,432	704,837
<b>Total Contributions</b>	<b>18,747,068</b>	<b>16,536,343</b>
<b>Total Additions</b>	<b>52,534,066</b>	<b>58,815,718</b>
<b>Deductions From Net Position Attributed To:</b>		
Benefits paid directly to participants	19,185,267	23,891,093
Service provider fees	58,080	58,081
<b>Total Deductions</b>	<b>19,243,347</b>	<b>23,949,174</b>
<b>Net Change In Net Position</b>	<b>33,290,719</b>	<b>34,866,544</b>
<b>Net Position Restricted For Pension, Beginning Of Year</b>	<b>255,054,060</b>	<b>220,187,516</b>
<b>Net Position Restricted For Pension, End Of Year</b>	<b>\$ 288,344,779</b>	<b>\$ 255,054,060</b>

# LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN

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## NOTES TO FINANCIAL STATEMENTS

### 1. Description Of Plan

The following description of the Larimer County Contributory Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan is a defined contribution, single-employer plan to which eligible participants and Larimer County, Colorado (the County), contribute equal amounts on a monthly basis. Substantially all full-time salaried employees of the County are eligible on their first day of work and required to participate in the Plan. The participants also may voluntarily contribute additional compensation. The total employee mandatory and voluntary contributions cannot exceed 85% of the employee's compensation. Voluntary contributions are not matched by the County. As of December 31, 2020 and 2019, there were approximately 2,792 and 2,688, respectively, participants with account balances in the Plan.

In 2009, the Plan was amended to change contribution rates beginning in 2009. The amounts contributed by both parties now range from 5% of compensation for participants with less than 5 years of service to 8% of compensation for participants with over 10 years of service.

Each participant's account is credited with the participant's contribution, allocations of the County's contribution and plan earnings and charged with administrative expenses. Allocations are based on compensation and account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants are immediately fully vested in their contributions plus actual earnings thereon. Vesting in the County's matching contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. Participants become 100% vested in the County's matching portion following five years of service. Participants are also fully vested upon the occurrence of death, being found totally and permanently disabled or taking normal retirement. Elected and appointed officials are immediately 100% vested.

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

In 2019, the Plan was amended to allow for loans to participants. A participant may borrow from their account the lesser of \$50,000 or 50% of their vested account balance with a minimum loan amount of \$1,000. Participants may only have 1 loan outstanding at any given time. Loans are secured by the participant's vested account. The loans are to be repaid over a 10-year period and are allowed only for the purchase of a primary residence. Principal and interest are collected ratably through bi-weekly payroll deductions.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act commonly referred to as the CARES Act was signed into law. The CARES Act increased the maximum loan limit from \$50,000 to \$100,000 for the period of March 27, 2020 to September 22, 2020, during which multiple participants received loans over the original \$50,000 limit.

The Plan also permitted participants to request up to \$100,000 in coronavirus-related distributions, with repayment terms of up to three years, in accordance with the CARES Act. The ability to request coronavirus-related distributions under the CARES Act ceased as of December 31, 2020.

This plan is authorized by the Larimer County Board of County Commissioners under applicable state statutes.

#### **Plan Termination**

Although it has not expressed any intent to do so, the County has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event of plan termination, participants will become 100% vested in their accounts.

## **2. Summary Of Significant Accounting Policies**

The following is a summary of significant accounting policies, which are in conformity with accounting principles generally accepted in the United States.

#### **Basis Of Accounting**

The financial statements of the Plan are prepared using the accrual method of accounting.

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Plan record keeper to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment securities, in general, are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

#### **Investment Valuation And Income Recognition**

The Plan's policy is to account for investments at fair value. Gains or losses on the sale of investments are recognized when the investment is sold.

The Plan's investments are stated at the values reported to the Plan by the record keeper, which are based on the fair value of the underlying investments. Shares of mutual funds are valued at quoted market prices which represent the net asset value (the NAV) of shares held by the Plan at year end. The Common Collective Trusts (the CCT) and Pooled Separate Accounts (PSA) are reported at estimated fair value by the fund, based on discounted projected cash flows at the prevailing yield curve rate, and considering the impacts of withdrawal restrictions or surrender clauses, if any, which is approximately the same as contract value.

The Plan's funds' market value is calculated by the record keeper and custodian, Teachers Insurance and Annuity Association of America (TIAA), on a daily basis. These assets reflect all contributions and disbursements processed through the end of the day. The daily transactions are processed, and a percent change in assets is calculated and used to adjust the beginning market value of each rate class to current-day market value. Next, the system calculates and deducts the appropriate expenses from the current-day market value for each rate class. Then a unit value is calculated for each rate class by dividing the assets adjusted for market performance and expense by the number of units.

Purchases and sales of investments are recorded on a trade-date basis. Investment income is primarily comprised of realized and unrealized appreciation and depreciation of the fair value of the investments.

## LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN

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### Notes To Financial Statements (Continued)

#### Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2020 and 2019.

#### Payment Of Benefits

A participant's entire vested interest in the Plan is payable in the event of termination, upon death of the participant, attaining normal retirement age of 59½ or becoming totally disabled, as defined in the Plan Agreement. A participant's benefits are payable in a lump-sum payment or periodic cash installments. In addition, hardship distributions are permitted if specified criteria are met.

### 3. Investments

Larimer County Retirement Board (the Board) shall have complete control and authority to determine the investment options for the funds of the Plan. Funds of the Plan shall be managed and invested by the Board in accordance with the prudent investor rule and the other standards and provisions for trustees set forth in the Colorado Uniform Prudent Investor Act. These limitations shall not apply to investments self-directed by participants in the Plan.

The Plan held no investments issued by the County or any entity under the County's control.

Investments at fair value at December 31, 2020 and 2019:

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Investments, At Fair Value</b>		
Mutual funds	\$ 244,075,297	\$ 215,971,602
CCT	29,387,546	24,851,826
PSA	8,912,801	9,481,888
Self-directed brokerage account	5,461,729	4,603,786
<b>Total Investments</b>	<b>\$ 287,837,373</b>	<b>\$ 254,909,102</b>

## LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN

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### Notes To Financial Statements (*Continued*)

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Plan's PSAs and mutual funds have a maturity date of less than one year, and the Plan does not have a policy to address interest rate risk.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board does not have a policy to limit credit risk for the Plan's PSAs and mutual funds. These investments are not rated.

**Concentration Of Credit Risk:** The Plan places no limit on the amount that may be invested with one issuer.

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of financial institution failure, the Plan's investments may not be returned to it. The Plan's invested funds represent direct contractual investments and are not considered securities exposed to custodial credit risk.

The Plan's investment policy seeks to maximize participant diversification opportunities to reduce overall portfolio risk while generating growth of asset value.

Investments that represent 5% or more of the Plan's net position are as follows:

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Vanguard Institutional Index Fund	\$ 29,145,202	\$ 25,544,915
Morley Stable Value Fund	29,387,546	24,851,826
Dodge and Cox Income Fund	24,805,044	21,058,741
American Funds 2030 Target Date Retirement Fund R6	23,832,317	20,443,824
American Funds 2040 Target Date Retirement Fund R6	18,378,180	15,730,921
American Funds 2035 Target Date Retirement Fund R6	14,581,199	11,605,692

## LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN

### Notes To Financial Statements (*Continued*)

#### 4. Fair Value Measurements

The Plan categorizes its fair value measurements 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. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical or similar assets or liabilities in inactive markets,
- Inputs other than quoted prices that are observable for the asset or liability and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Mutual Funds:** These are public investment vehicles valued using the fair value per share (unit) provided by the administrator of the fund. The fair value per unit is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The fair value per unit is the quoted price in an active market and classified within Level 1 of the valuation hierarchy.

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

**The CCT:** These investments are public investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The investments are redeemable daily at the adjusted NAV under agreements with the insurance company. However, it is possible that the redemption rights may be restricted or eliminated in the future. Due to the nature of the investments, changes in the market conditions, liquidity requirements and the economic environment may significantly affect the NAV of the registered investment companies and, consequently, the fair value of the Plan's investments. The CCT is not classified within the fair value hierarchy pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 72.

**The PSA:** These are valued at the NAV of units held by the Plan at year end. The NAV is determined by dividing the net assets, at fair value, of the fund by the number of units outstanding on the day of valuation. The Plan has concluded that the NAV, as adjusted (for variable annuity income and administrative maintenance charges and other items) and reported by the insurance company, approximates fair value of the investments. The investments are redeemable daily at the adjusted NAV under agreements with the insurance company. However, it is possible that the redemption rights may be restricted or eliminated in the future. Due to the nature of the investments, changes in the market conditions, liquidity requirements and the economic environment may significantly affect the NAV of the registered investment companies and, consequently, the fair value of the Plan's investments. The PSA is not classified within the fair value hierarchy pursuant to GASB Statement No. 72.

**Self-Directed Brokerage Accounts:** These accounts consist primarily of common stocks that are valued on the basis of readily determinable market prices and are classified within Level 1 of the valuation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN

### Notes To Financial Statements *(Continued)*

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value.

	December 31, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Investments By Fair Value Level</b>				
Self-directed brokerage accounts	\$ 5,461,729	\$ 5,461,729	\$ —	\$ —
Mutual funds	244,075,297	244,075,297	—	—
<b>Total Investments By Fair Value Level</b>	<b>249,537,026</b>	<b>\$ 249,537,026</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Investments Measured At NAV</b>				
CCTs	29,387,546			
PSAs	8,912,801			
<b>Total Investments</b>	<b>\$ 287,837,373</b>			
	December 31, 2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Investments By Fair Value Level</b>				
Self-directed brokerage accounts	\$ 4,603,786	\$ 4,603,786	\$ —	\$ —
Mutual funds	215,971,602	215,971,602	—	—
<b>Total Investments By Fair Value Level</b>	<b>220,575,388</b>	<b>\$ 220,575,388</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Investments Measured At NAV</b>				
CCTs	24,851,826			
PSAs	9,481,888			
<b>Total Investments</b>	<b>\$ 254,909,102</b>			

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2020 and 2019. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

Investment	Fair Value 2020	Fair Value 2019	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
<b>CCTs</b>					
Morley Stable Value Fund	\$ 29,387,546	\$ 24,851,826	N/A	Daily	12 Months
<b>PSAs</b>					
TIAA Real Estate	8,912,801	9,481,888	N/A	Daily	Quarterly

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

Upon enrollment in the Plan, a participant may direct contributions in any of 43 current investment options. The following investment options were for the years December 31, 2020 and 2019:

#### **Mutual Funds**

*Dodge & Cox Income* - The Dodge & Cox Income investment seeks a high and stable rate of current income, consistent with long-term preservation of capital. The fund invests in a diversified portfolio of high-quality bonds and other fixed income securities. At least 65% of the fund's total assets will be invested in fixed income securities rated A or better by either Standard & Poor's Ratings Group (S&P), Fitch Ratings or Moody's Investors Service, or equivalently rated by any other nationally recognized statistical rating organization. It may also invest in interest rate derivatives such as U.S. Treasury futures.

*Loomis Sayles Bond* - The Loomis Sayles Bond institutional investment seeks high total investment return through a combination of current income and capital appreciation. The fund normally invests at least 80% of its net assets in fixed-income securities. It will invest primarily in investment-grade fixed-income securities, although it may also invest up to 35% of its assets in below investment-grade fixed-income securities and up to 20% of its assets in equity securities, such as common stocks and preferred stocks (with up to 10% of its assets in common stocks). The fund's fixed-income securities investments may include unrated securities. It may invest in fixed-income securities of any maturity.

*Vanguard Institutional Index Fund* - The Vanguard Institutional Index Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the S&P 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

*T. Rowe Price Blue Chip Growth Advantage* - The T. Rowe Price Blue Chip Growth Advantage investment seeks long-term capital growth; income is a secondary objective. The fund will normally invest at least 80% of assets in the common stocks of large and medium-sized blue chip growth companies. It focuses on companies with leading market position, seasoned management and strong financial fundamentals. The fund may sell securities for a variety of reasons, such as to secure gains, limit losses or redeploy assets into more promising opportunities.

*Vanguard FTSE Social Index* - The Vanguard FTSE Social Index investment seeks to track the performance of a benchmark index that measures the investment return of large- and mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the FTSE4Good U.S. Select Index. The index is composed of the stocks of companies that have been screened for certain social and environmental criteria by the index sponsor, which is independent of Vanguard. It attempts to replicate the index by investing all, or substantially all, of its assets in the stocks that make up the index.

*Vanguard Small-Cap Index Admiral* - The Vanguard Small-Cap Index Admiral investment seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

*Vanguard Mid-Cap Index Admiral* - The Vanguard Mid-Cap Index Admiral investment seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of mid-size U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

## LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN

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### Notes To Financial Statements (*Continued*)

*Harding Loevner Institutional Emerging Markets* - The Harding Loevner Institutional Emerging Markets investment seeks long-term capital appreciation. The fund invests primarily in companies that are based in emerging and frontier markets. It normally holds investments across at least 15 countries. The fund invests at least 80% of its net assets in emerging markets securities, which includes frontier markets securities and investment companies that invest in the types of securities in which the portfolio would normally invest. It invests at least 65% of its total assets in common stocks, preferred stocks, rights and warrants issued by companies.

*Principal MidCap Value I R5* - The Principal MidCap Value I R5 investment seeks long-term growth of capital. The fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in a diversified portfolio of equity securities of companies with a medium market capitalization (those with market capitalizations similar to companies in the Russell Midcap Value Index) at the time of purchase. It invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued. The fund also invests in real estate investment trusts.

*T. Rowe Price Mid-Cap Growth* - The T. Rowe Price Mid-Cap Growth investment seeks long-term capital appreciation. The fund normally invests at least 80% of net assets (including any borrowings for investment purposes) in a diversified portfolio of common stocks of mid-cap companies whose earnings T. Rowe Price expects to grow at a faster rate than the average company. It defines mid-cap companies as those whose market capitalization falls within the range of either the S&P MidCap 400 Index or the Russell Midcap Growth Index. While most assets will typically be invested in U.S. common stocks, the fund may invest in foreign stocks in keeping with the fund's objectives.

*DFA U.S. Small Cap Value I* - The DFA U.S. Small Cap Value I investment seeks to achieve long-term capital appreciation. The fund normally will invest at least 80% of its net assets in securities of small-cap U.S. companies. It may use derivatives, such as futures contracts and options on futures contracts for U.S. equity securities and indices, to gain market exposure on its uninvested cash pending investment in securities or to maintain liquidity to pay redemptions.

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

*Templeton Foreign A* - The Templeton Foreign A investment seeks long-term capital growth. The fund normally invests at least 80% of its net assets in foreign securities, which may include emerging markets. Under normal market conditions, it invests predominantly in the equity securities of such foreign companies located outside the U.S. The equity securities in which the fund invests are predominantly common stock. Although the investment manager will search for investments across a large number of countries and sectors, from time to time, based on economic conditions, it may have significant positions in particular countries or sectors.

*AQR International Equity I* - The AQR International Equity I investment seeks long-term capital appreciation. The fund seeks to outperform, after expenses, the MSCI EAFE Index while seeking to control its tracking error relative to this benchmark. It will invest at least 80% of its net assets in equity and equity-related instruments (including, but not limited to, exchange-traded funds, equity index futures, equity index swaps and depositary receipts). The fund will invest in companies with a broad range of market capitalizations, including smaller capitalization companies. It may invest to a lesser extent in securities of issuers in countries and currencies not included in the International Equity Benchmark.

*American Funds 2010 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2015 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2020 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2025 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

*American Funds 2030 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2035 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2040 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2045 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2050 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2055 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

*American Funds 2060 Target Date Retirement Fund R6* - The investment seeks growth, income and conservation of capital. The fund normally invests a greater portion of its assets in fixed income, equity-income and balanced funds as it continues past its target date. The target date is the approximate year when investors plan to retire and may begin withdrawing their money.

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

*Dodge & Cox Stock Fund* - The Dodge & Cox Stock Fund investment seeks long-term growth and income. The fund invests in a diversified portfolio of equity securities from a least three different countries, including emerging markets. In the selection of investments, the fund looks for undervalued or temporarily undervalued investments by focusing on the underlying condition and prospects of the individual companies. Under normal circumstances, the fund investment pool is at least 40% of the fund's total assets that will be invested in securities of non-U.S. companies and at least 80% of total assets in equity securities.

*Conestoga Small Cap Institutional* - The Conestoga Small Cap Institutional investment seeks to provide long-term capital growth. The fund normally invests at least 80% of its net assets in equity securities of small-cap companies, which are predominantly companies with market capitalizations up to \$2.5 billion at the time of purchase of small-cap companies. These companies can be foreign or domestic and include convertible securities, common and preferred stocks, rights and warranties.

#### **CCTs**

*Morley Stable Value Fund* - The Morley Stable Value Fund objective is to provide a low-risk, moderate-yield investment. The fund is managed to earn a consistent level of return, while providing for preservation of capital, high credit quality and liquidity to pay plan benefits.

#### **PSAs**

*TIAA Real Estate Account* - The TIAA Real Estate Account is a variable annuity account that seeks long-term return. The account intends to have between 75% and 85% of its net assets invested directly in real estate or real estate-related investments with the goal of producing favorable long-term returns primarily through rental income and appreciation. Its principal strategy is to purchase direct ownership interests in income-producing real estate, primarily office, industrial, retail and multi-family residential properties. The account is targeted to hold between 65% and 80% of the account's net assets in such direct ownership interests at any time.

#### **Self-Directed Brokerage Accounts**

*TIAA-CREF Self-Directed Brokerage Account* - The participant chooses the individual stocks, bonds and mutual funds in which to direct contributions.

Participants may change their investment options daily.

## LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN

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### Notes To Financial Statements (*Continued*)

The following is the number of participants in each investment option:

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Morley Stable Value Fund	568	557
Vanguard Institutional Index Inst	559	548
Dodge & Cox Income Fund	474	474
TIAA Real Estate	468	474
Templeton Foreign Fund R6	434	447
Vanguard Small-Cap Index Inst Adm	415	413
AQR International Equity	414	418
American Funds 2055 Target Date Retirement Fund R6	404	391
Dodge & Cox Stock Fund	376	385
Harding Loevner Inst Em Mkts I	363	359
T Rowe Price Mid-Cap Growth Fund	340	377
American Funds 2040 Target Date Retirement Fund R6	327	332
Principal Mid-Cap Value I Inst	326	333
American Funds 2030 Target Date Retirement Fund R6	309	308
Vanguard Mid-Cap Idx Adm	283	274
American Funds 2050 Target Date Retirement Fund R6	270	256
American Funds 2045 Target Date Retirement Fund R6	265	249
American Funds 2060 Target Date Retirement Fund R6	247	169
T. Rowe Blue Chip Growth Advantage	234	241
American Funds 2035 Target Date Retirement Fund R6	228	223
DFA U.S. Small Cap Value I	204	227
American Funds 2025 Target Date Retirement Fund R6	151	147
American Funds 2020 Target Date Retirement Fund R6	150	154
Loomis Sayles Bond FD CI N	146	156
Vanguard FTSE Social Index	137	147
Conestoga Small Cap Instl	109	123
American Funds 2015 Target Date Retirement Fund R6	98	117
TIAA-CREF Self Directed Accounts	35	33
Loan Fund	21	3
American Funds 2010 Target Date Retirement Fund R6	15	10

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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### Notes To Financial Statements (*Continued*)

#### **5. Withdrawals And Forfeitures**

Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or a regular amount on a periodic basis. The periodic payments may be monthly, quarterly or annually for any amount chosen by the participant. The periodic payments continue as long as the participant has a vested balance in the Plan. A participant may withdraw any part of their voluntary contributions or rollover contribution since they are always 100% vested.

A terminating participant of the Plan that is not fully vested forfeits a portion of the County's contributions. Forfeitures remain in the Plan and are allocated to the remaining active participants. Such forfeitures totaled \$497,240 for the year ended December 31, 2020 and \$470,250 for the year ended December 31, 2019. At December 31, 2020 and 2019, the nonvested forfeited account balances were \$519,932 and \$506,566, respectively.

The Board also approved a change in forfeiture allocations, retroactive to January 1, 2007, according to the following outline:

- Participants eligible to receive forfeitures after five full years of service
- Annual allocation of forfeitures - last day of plan year
- One unit for each year of service, if the total number of years of service is 1 - 10
- Two units for each year of service, if the total number of years of service is 11 - 15
- Three units for each year of service, if the total number of years of service is 16 - 20
- Four units for each year of service, if the total number of years of service is 21 - 25
- Five units for each year of service, if the total number of years of service is 26 or more
- Forfeitures allocated to eligible participants based on ratio of units

## **LARIMER COUNTY CONTRIBUTORY RETIREMENT PLAN**

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Notes To Financial Statements (*Continued*)

### **6. Federal Income Taxes**

The Plan obtained its latest determination letter on February 14, 2011 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter; however, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

### **7. Related Party Transactions**

Plan investments at December 31, 2020 include units of funds managed by the record keeper and custodian, TIAA.