FINANCIAL STATEMENTS

December 31, 2021

CARBON VALLEY
PARKS & RECREATION DISTRICT

CARBON VALLEY PARKS AND RECREATION DISTRICT

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Dazzio & Associates, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Carbon Valley Parks and Recreation District
Weld County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Carbon Valley Parks and Recreation District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Special Revenue Fund – Conservation Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the Schedules of the Proportionate Share of the Net Pension Liability and Other Postemployment Benefits (OPEB)

Liability and the Schedules of Employer Contributions on pages 67 through 72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Dazzio & Associates, P.C.

May 4, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the report for the Carbon Valley Park & Recreation District (the District), the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ended December 31, 2021. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2021 Financial Highlights

The District’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $13,505,864 (total net position) for the calendar year reported.

Total net position is comprised of the following:

(1) Net investment in capital assets, of $9,754,240 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

(2) Net position of $386,900 are restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations.

(3) Unrestricted net position of $3,364,724 represent the assets that do not have any third-party limitations on their use.

- The District's governmental funds reported total ending fund balance of $5,980,182 this year. This compares to the prior year ending fund balance of $4,721,168 showing an increase of $1,259,014 during the current year.

- At the end of 2021, the fund balance in the General Fund was $4,190,810 an increase of $832,314. The increase is primarily due to decreased spending during 2021.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior calendar year.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all activities of the District. Governmental activities are normally supported by taxes, intergovernmental revenue and fees and charges.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows, and liabilities and deferred inflows of the District being reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue 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 program revenue are reported instead as general revenue.

An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

The government-wide financial statements are presented on pages 15 & 16 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. The District has one type of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 17 to 22 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 23 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. This section includes schedules required by GASB 68 and GASB 75. The schedules of the District's proportionate share of PERA's net pension liability and PERA's net OPEB liability and the schedules of employer contributions for both plans can be found on pages 67 to 72 of this report.

Supplementary Information

Budgetary comparison schedule for the District's Capital Improvements Projects Fund can be found on page 73 of this report.

Other Information

Schedules of future debt service requirements for the District's long-term obligations as well as a history of the District's assessed valuation, mill levies and property taxes collected can be found on pages 74 to 75 of this report.

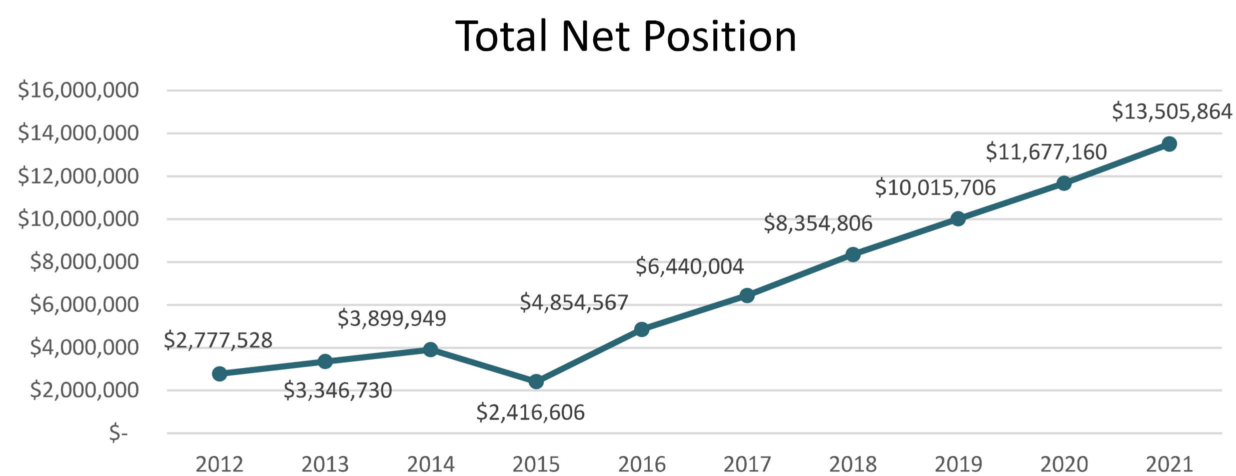
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position at calendar year-end is $13,505,864. The following table provides a summary of the District's net position:

Carbon Valley Parks and Recreation District
Summary of Net Position

	2021	2020
Assets		
Current and Other Assets	$ 9,373,786	$ 8,432,650
Capital Assets	10,412,238	10,304,736
Total assets	19,786,024	18,737,386
Deferred Outflows of Resources	558,275	383,312
Liabilities		
Long-term liabilities	1,876,359	2,892,965
Other Liabilities	123,893	105,521
Total Liabilities	2,000,252	2,998,486
Deferred Inflows of Resources	4,838,183	4,445,052
Net position		
Net Investment in Capital Asset	9,754,240	9,520,010
Restricted	386,900	449,092
Unrestricted	3,364,724	1,708,058
Total net position	$ 13,505,864	$ 11,677,160

The following chart reports the total net position balances from fiscal year 2012 - 2021:



The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 2.74 to 1 as compared to 2.26 to 1 at December 31, 2020.

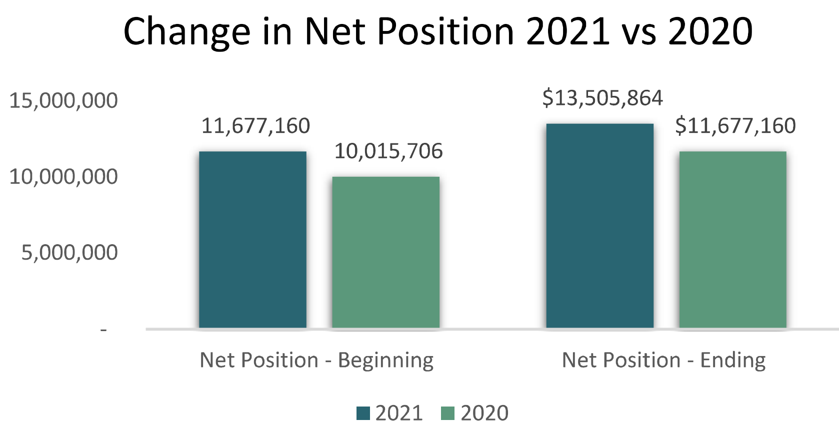
The District reported positive balances in net position for governmental activities. During fiscal year 2021, net position increased $1,828,704 for governmental activities.

Note that approximately 52.6% of the governmental activities' total assets are tied up in capital assets (with 97.2% of the capital asset cost being depreciable). The District uses these capital assets to provide services to its citizens.

The following table provides a summary of the District's changes in net position:

Carbon Valley Parks and Recreation District
Summary of Changes in Net Position

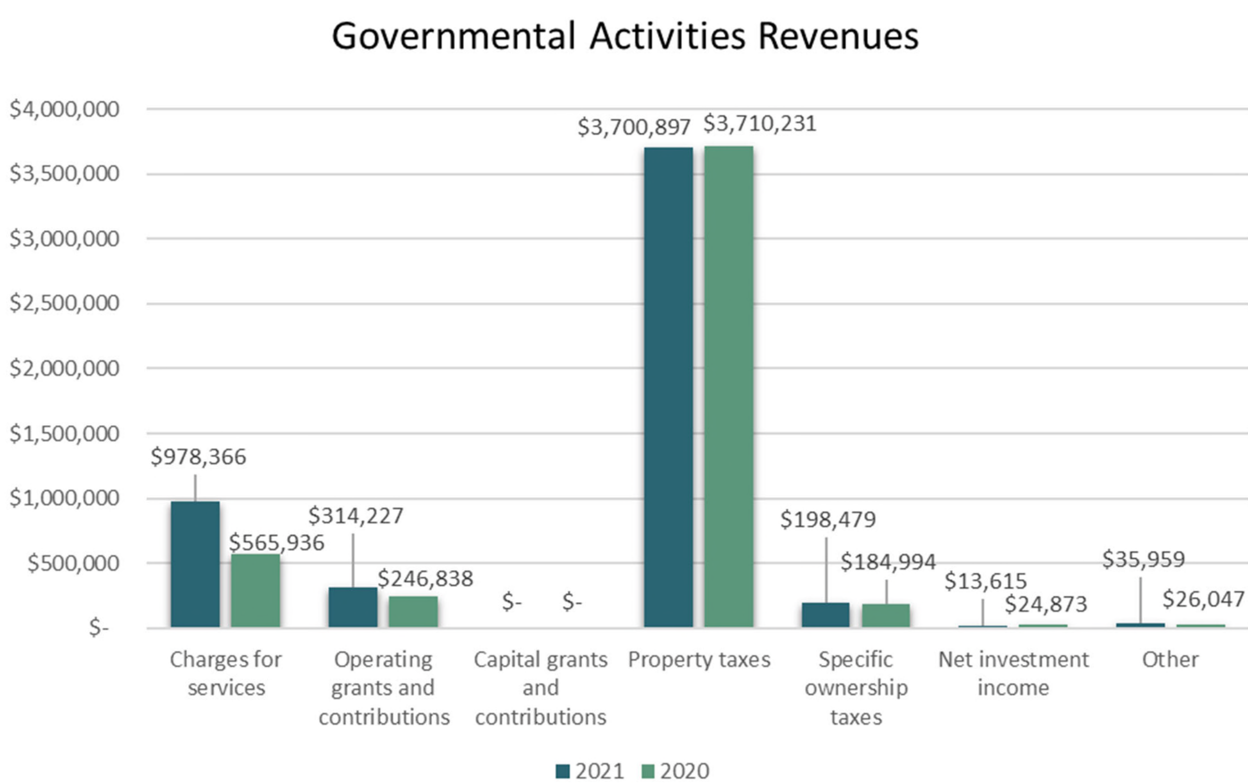
Revenues	**2021**	**2020**
Program revenues		
Fees and Charge for Services	$ 978,366	$ 565,936
Operating Grants and Contributions	314,227	246,838
General Revenues		
Property taxes	3,700,897	3,710,231
Specific ownership taxes	198,479	184,994
Investment Income	13,615	24,873
Other	35,959	26,047
Total revenues	5,241,543	4,758,919
Expenses		
Administration	1,131,983	1,013,389
Swimming pool, Recreation and Sports Programs	2,252,000	2,050,154
Interest and Long Term Debt	28,856	33,922
Total expenses	3,412,839	3,097,465
Change in Net Position	1,828,704	1,661,454
Net Position - Beginning	11,677,160	10,015,706
Net Position - Ending	$ 13,505,864	$ 11,677,160

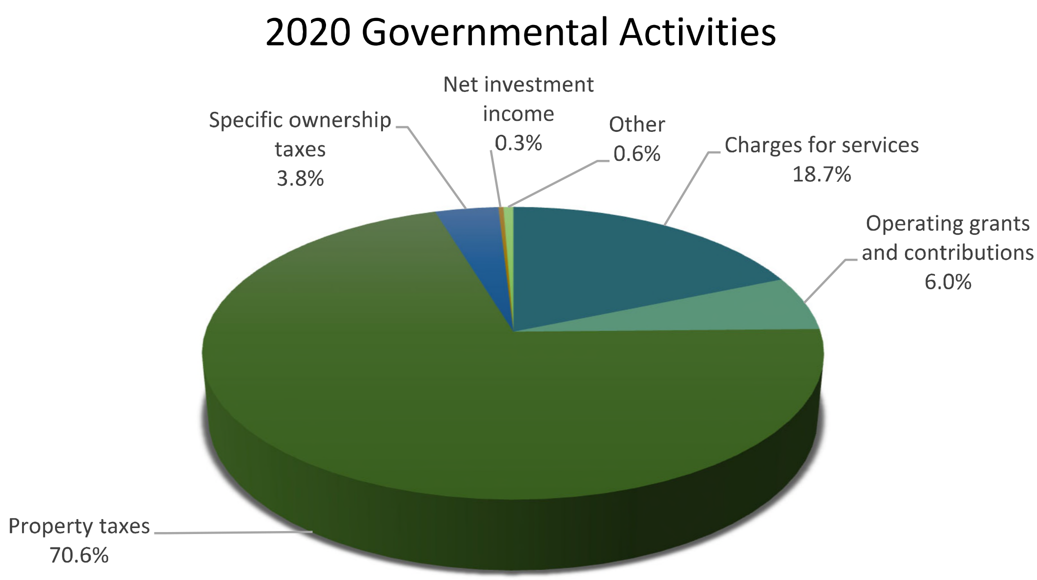


Governmental Activity Revenues

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 70.6% of the District's total revenues as compared 77.9% in calendar year 2020. Note that program revenues covered 24.7% of governmental operating expenses as compared to 17.1% in calendar year 2020.

This means that the government's taxpayers and the District's other general revenues normally fund 75.3% of the governmental activities, primarily from property taxes. As a result, the general economy and housing market have a major impact on the District's revenue streams.





Governmental Activity Expenses

The following table presents the cost of each of the District's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the District's taxpayers by each of these functions.

	Total Cost of Services	Program Revenues	Net Cost of Services	Net Costs Funded by Program Revenues
Administration	$ 1,131,983	$ 94,011	$ (1,037,972)	8.3%
Swimming Pool, Recreation and Sports Programs	2,252,000	1,198,582	(1,053,418)	53.2%
Interest and Related Charges on Long-term Debt	28,856	-	(28,856)	0.0%
	$ 3,412,839	$ 1,292,593	$ (2,120,246)	37.9%

The swimming pool, recreation and sports programs functions are the highest cost functions, primarily because this area accounts for the normal day-to-day operations of the District, resulting in $2,252,000.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $5,980,182 compared to the $4,721,168 at December 31, 2020.

Of this year-end total, legally restricted fund balances are $386,900. This includes the amount of $236,900 for capital projects from the Conservation Trust Fund and the money set aside to meet the TABOR emergency reserve requirements, or $150,000.

Assigned fund balance totals $2,839,894. Included in this amount is $1,080,385 for contingencies and subsequent year's expenditures, and $1,759,509 for capital improvements.

The total ending fund balances of governmental funds show an increase of $1,259,014 or 26.7% from the prior year.

Major Governmental Funds

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund and the only source of day-to-day services delivery for the District. The General Fund's fund balance increased by $832,314 in 2021, or 19.9% as compared to a 42.2% increase in calendar year 2020.

Total property tax revenues are $3,700,897 in 2021, decreasing 0.3% compared to $3,710,231 collected in 2020.

Program revenues increased $307,616 and recreation revenues increased $107,471 in 2021 due to the District's facilities and programs reopening.

Net investment income decreased $5,534 because of a continued decrease in interest rates.

Most other revenue streams were consistent with the prior years' revenues.

Total General Fund expenditures increased $614,997 compared to the 2020 amount.

Total administrative expenditures were $1,185,065 or 16.0% above the 2020 amount. Within the maintenance function, total expenditures increased $87,300. Program and recreation expenditures increased $153,055 and $182,522, respectively. The increase in all departments was due to the District's facilities and programs reopening.

A brief discussion of the other major governmental funds follows:

Special Revenue – **Conservation Trust Fund** – This fund is used to account for conservation trust revenues and expenditures incurred for eligible costs. The District uses these funds to invest in capital improvements to the District's facilities and fixed asset items. In 2021, the Conservation Trust Fund received $220,216 in lottery fund income. This increased $37,421 or 20.5% compared to 2020.

In 2021, the District utilized Conservation Trust Fund funds to build an outdoor fitness area at the Recreation Center and to purchase new gymnastics equipment at the Gymnastics/Senior Center. The ending fund balance is $236,900.

Capital Improvements Project Fund – The Capital Improvements Project Fund was created in 2018 by transferring some of the General Fund's fund balance to utilize and account for capital projects for the District. This fund is used to account for the accumulation of resources for the design, construction and improvements of various individual capital projects of the District. In 2021, $675,000 was transferred from the General Fund to the Capital Improvements Projects Fund. The fund reports and ending balance of $1,552,472.

During the year, $173,338 was spent on the following projects:

- Parking lot seal coating - $24,558
- Recreation Center – Interior signs - $24,875
- Recreation Center – Pool area interior painting - $19,393
- Recreation Center – Interior painting - $13,087
- Recreation Center – Carpeting - $22,689
- Recreation Center – Fitness and Mind Body room remodels - $50,127
- Gymnastics/Senior Center – Remodel - $18,609

Projects that were originally scheduled in 2020, were moved to 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenue from property taxes were $68,539 over budget in 2021. Specific ownership tax was under budget by $19,462. Intergovernmental revenues exceeded the budget by $25,174. Program and recreation revenues came in under budget by $274,461 and $386,118, respectively.

Net investment income was under budget by $8,594 in 2021. This is due to the continued decrease in interest rates in 2021.

In total, the District only recognized 89.5% of the final revenue budget.

The expenditures for the administrative department was under budget by $183,411. The program and recreation departments came in $254,130 and $325,730 under budget, respectively.

In total, the District under spent the final expenditure budget for the general fund by $791,341.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2020, was $10,304,736. The change in this net investment was an approximate 0.16% increase. See Note 4 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

Capital Assets

	2021	2020
Non-depreciable assets:		
Land	$ 175,847	$ 175,847
Construction in Process	-	6,961
Total non-depreciable	175,847	182,808
Depreciable assets:		
Buildings and improvements	14,081,250	13,679,967
Equipment	636,602	551,444
Vehicles	277,298	244,887
Total depreciable assets	14,995,150	14,476,298
Less accumulated depreciation	4,758,759	4,354,370
Book value - depreciable assets	10,236,391	10,121,928
Percentage depreciated	68.3%	69.9%
Total book value	$ 10,412,238	$ 10,304,736

The various capitalized additions to governmental activities capital assets of $518,852 include:

- Building and Improvements – Recreation Center - $358,117
- Building and Improvements – Gymnastics/Senior Center remodel - $18,608
- Building and Improvements – Parking lot seal coating - $24,558
- Equipment – Gymnastics equipment - $73,220
- Equipment – Pool pump replacement - $11,938
- Vehicles – 2020 Ford Ranger - $32,411

Additional information on the District’s capital assets can be found in Note 4 to the financial statements.

Long-term Debt

The following table reports debt balances at December 31, 2021 and 2020.

Long-Term Debt

	2021	2020
Capital Lease Obligations	$ 657,998	$ 784,726

See Note 6 for additional information about the District's long-term debt.

ECONOMIC CONDITIONS EFFECTING THE DISTRICT AND NEXT YEAR'S BUDGET AND RATES

The District is in a strong financial position. Since 2013, the District has experienced unprecedented residential growth. The open land available for development and coupled with low interest rates, has resulted in residential development increasing in the District. With the increase in property development, the District should anticipate an increase in property tax revenues over the next few years. However, with the increase in population we expect an increase in memberships and use of District facilities. With limited funds to expand, the District has invested in additional space through a commercial rental in Firestone to increase programing options and space.

Maintaining fund balances are critical to the financial health of the District. Based on TABOR the District will continue to hold 3% of revenues in fund balance, in addition, the Board of Directors have decided to set aside more funds in another account that will allow the District to continue operations longer if needed. The Board of Directors have also decided to create a fund balance reserve for a vehicle and equipment replacement program. A specified amount will be designated in fund balance to assign funds for these future expenditures. The Board of Directors will appropriate the funds in the years needed through resolution.

The District will continue to create a long-term capital improvement plan to maintain and improve current District facilities by transferring additional revenues from the General Fund to the Capital Improvement Projects Fund.

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional information, contact the District's Finance Department at Carbon Valley Parks and Recreation District, 8350 County Rd 13, STE 180, Firestone, CO 80504.

BASIC FINANCIAL STATEMENTS

CARBON VALLEY PARKS AND RECREATION DISTRICT

STATEMENT OF NET POSITION
December 31, 2021

Assets		
Cash and Investments	$	5,710,697
Cash and Investments - Restricted		236,900
Due from County Treasurer		17,034
Property Taxes Receivable		3,296,028
Prepaid Expenditures		113,127
Capital Assets Not Being Depreciated		175,847
Capital Assets, Net of Accumulated Depreciation		10,236,391
Total Assets		19,786,024
Deferred Outflows of Resources		
Pension Contributions Subsequent to Measurement Date		218,562
OPEB Contributions Subsequent to Measurement Date		16,888
Pension Related Deferrals		315,225
OPEB Related Deferrals		7,600
Total Deferred Outflows of Resources		558,275
Liabilities		
Accounts Payable		60,016
Accrued Wages and Benefits		35,560
Unearned Revenue		2,000
Accrued Compensated Absences		20,059
Accrued Interest Payable		6,258
Noncurrent Liabilities		
Due Within One Year		129,911
Due In More Than One Year		528,087
Net Pension Liability		1,069,569
Net OPEB Liability		148,792
Total Liabilities		2,000,252
Deferred Inflows of Resources		
Deferred Revenue - Property Taxes		3,296,028
Pension Related Deferrals		1,449,160
OPEB Related Deferrals		92,995
Total Deferred Inflows of Resources		4,838,183
Net Position		
Net Investment in Capital Assets		9,754,240
Restricted		
Tabor Emergencies		150,000
Conservation Trust Fund		236,900
Unrestricted		3,364,724
Total Net Position	$	13,505,864

The notes to the financial statements are an integral part of this statement.

CARBON VALLEY PARKS AND RECREATION DISTRICT

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Administration	$ 1,131,983	$ -	$ 94,011	$ -	$ (1,037,972)
Swimming Pool, Recreation and Sports Programs	2,252,000	978,366	220,216	-	(1,053,418)
Interest and Related Charges on Long-term Debt	28,856	-	-	-	(28,856)
Total	$ 3,412,839	$ 978,366	$ 314,227	$ -	(2,120,246)

General Revenues	
Property Taxes	3,700,897
Specific Ownership Taxes	198,479
Net Investment Income	13,615
Other	35,959
Total General Revenues	3,948,950
Change in Net Position	1,828,704
Net Position - Beginning	11,677,160
Net Position - Ending	$ 13,505,864

The notes to the financial statements are an integral part of this statement.

CARBON VALLEY PARKS AND RECREATION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	Conservation Trust Fund	Capital Improvement Project Fund	Total Governmental Funds
Assets				
Cash and Investments	$ 4,158,225	$ -	$ 1,552,472	$ 5,710,697
Cash and Investments - Restricted	-	236,900	-	236,900
Receivable from County Treasurer	17,034	-	-	17,034
Property Taxes Receivable	3,296,028	-	-	3,296,028
Prepaid Expenditures	113,127	-	-	113,127
Total Assets	$ 7,584,414	$ 236,900	$ 1,552,472	$ 9,373,786
Liabilities				
Accounts Payable	$ 60,016	$ -	$ -	$ 60,016
Accrued Wages and Benefits	35,560	-	-	35,560
Unearned Revenue	2,000	-	-	2,000
Total Liabilities	97,576	-	-	97,576
Deferred Inflows of Resources				
Deferred Revenue - Property Taxes	3,296,028	-	-	3,296,028
Fund Balances				
Nonspendable	113,127	-	-	113,127
Restricted for:				
TABOR Emergencies	150,000	-	-	150,000
Conservation Trust Fund	-	236,900	-	236,900
Assigned for:				
Contingencies	1,080,385	-	-	1,080,385
Capital Improvements	207,037	-	1,552,472	1,759,509
Unassigned	2,640,261	-	-	2,640,261
Total Fund Balances	4,190,810	236,900	1,552,472	5,980,182
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,584,414	$ 236,900	$ 1,552,472	$ 9,373,786

The notes to the financial statements are an integral part of this statement.

CARBON VALLEY PARKS AND RECREATION DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2021

Total Fund Balance - Governmental Funds		$ 5,980,182
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	$ 175,847	
Building and improvements	14,081,250	
Equipment	636,602	
Vehicles	277,298	
Less accumulated depreciation	(4,758,759)	10,412,238
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.		
Balances at year-end are:		
Capital Lease Obligations	(657,998)	
Compensated Absences	(20,059)	
Net Pension Liability	(1,069,569)	
Net OPEB Liability	(148,792)	(1,896,418)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Pension contributions subsequent to the measurement date	218,562	
OPEB contributions subsequent to the measurement date	16,888	
Deferred outflows of resources related to pensions	315,225	
Deferred inflows of resources related to pensions	(1,449,160)	
Deferred outflows of resources related to OPEB	7,600	
Deferred inflows of resources related to OPEB	(92,995)	(983,880)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due		(6,258)
Net Position - Governmental Activities		$ 13,505,864

The notes to the financial statements are an integral part of this statement.

CARBON VALLEY PARKS AND RECREATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General Fund	Conservation Trust Fund	Capital Improvement Project Fund	Total Governmental Funds
Revenues				
Property Taxes	$ 3,700,897	$ -	$ -	$ 3,700,897
Specific Ownership Taxes	198,479	-	-	198,479
Intergovernmental	92,951	220,216	-	313,167
Charges for Services:				
Program Revenue	466,489	-	-	466,489
Recreation Revenue	511,877	-	-	511,877
Grants and Donations	1,060	-	-	1,060
Net Investment Income	13,222	163	230	13,615
Miscellaneous Income	35,959	-	-	35,959
Total Revenues	5,020,934	220,379	230	5,241,543
Expenditures				
Current				
Administration	1,185,065	-	-	1,185,065
Maintenance	610,234	-	-	610,234
Program	528,461	-	-	528,461
Recreation	996,081	-	-	996,081
The Cove	11,484	-	-	11,484
Debt Service				
Lease Principal	126,728	-	-	126,728
Interest Expense	30,118	-	-	30,118
Capital Outlay	25,449	295,571	173,338	494,358
Total Expenditures	3,513,620	295,571	173,338	3,982,529
Excess Revenues Over (Under) Expenditures	1,507,314	(75,192)	(173,108)	1,259,014
Other Financing Sources (Uses)				
Transfers In (Out)	(675,000)	-	675,000	-
Net Change in Fund Balances	832,314	(75,192)	501,892	1,259,014
Fund Balances - Beginning	3,358,496	312,092	1,050,580	4,721,168
Fund Balances - Ending	$ 4,190,810	$ 236,900	$ 1,552,472	$ 5,980,182

The notes to the financial statements are an integral part of this statement.

CARBON VALLEY PARKS AND RECREATION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Net Change in Fund Balances - Governmental Funds	$ 1,259,014
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Additionally any gain (loss) on the disposal of capital assets is reported in the Statement of Activities, however the governmental funds only report any proceeds received on the disposal of capital assets.	
Capital Outlay	511,891
Depreciation Expense	(404,389)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Repayments of principal:	
Capital Lease Obligations	126,728
Some revenues/expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest on liabilities - Change in liability	1,262
Compensated absences - Change in liability	(1,182)
Pension expense	97,517
OPEB expense	2,413
Pension contributions subsequent to the measurement date	218,562
OPEB contributions subsequent to the measurement date	16,888
Change in Net Position - Governmental Activities	$ 1,828,704

The notes to the financial statements are an integral part of this statement.

CARBON VALLEY PARKS AND RECREATION DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Year Ended December 31, 2020)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Property Tax Revenue	$ 3,632,358	$ 3,700,897	$ 68,539	$ 3,710,231
Specific Ownership Taxes	217,941	198,479	(19,462)	184,994
Intergovernmental Revenue	67,777	92,951	25,174	61,843
Program Revenue	740,950	466,489	(274,461)	158,873
Recreation Revenue	897,995	511,877	(386,118)	404,406
Maintenance Revenue	-	-	-	2,657
Grants and Donations	-	1,060	1,060	2,200
Net Investment Income	21,816	13,222	(8,594)	18,756
Miscellaneous Income	33,633	35,959	2,326	26,047
Total Revenues	5,612,470	5,020,934	(591,536)	4,570,007
Expenditures				
Current				
Administration	1,368,476	1,185,065	183,411	1,021,558
Maintenance	654,138	610,234	43,904	522,934
Program	782,591	528,461	254,130	375,406
Recreation	1,321,811	996,081	325,730	813,559
The Cove	-	11,484	(11,484)	-
Debt Service				
Lease Principal	124,855	126,728	(1,873)	123,071
Interest Expense	30,090	30,118	(28)	35,134
Capital Outlay	23,000	25,449	(2,449)	6,961
Total Expenditures	4,304,961	3,513,620	791,341	2,898,623
Excess Revenues Over (Under) Expenditures	1,307,509	1,507,314	199,805	1,671,384
Other Financing Sources (Uses)				
Transfers Out	(675,000)	(675,000)	-	(675,000)
Net Change in Fund Balance	632,509	832,314	199,805	996,384
Fund Balance - Beginning	2,903,659	3,358,496	454,837	2,362,112
Fund Balance - Ending	$ 3,536,168	$ 4,190,810	$ 654,642	$ 3,358,496

The notes to the financial statements are an integral part of this statement.

CARBON VALLEY PARKS AND RECREATION DISTRICT

SPECIAL REVENUE FUND - CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Year Ended December 31, 2020)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Lottery Fund Income	$ 180,000	$ 220,216	$ 40,216	$ 182,795
Net Investment Income	8,132	163	(7,969)	2,846
Total Revenues	188,132	220,379	32,247	185,641
Expenditures				
Capital Outlay	330,000	295,571	34,429	247,461
Net Change in Fund Balance	(141,868)	(75,192)	66,676	(61,820)
Fund Balance - Beginning	312,773	312,092	(681)	373,912
Fund Balance - Ending	$ 170,905	$ 236,900	$ 65,995	$ 312,092

The notes to the financial statements are an integral part of this statement.

Note 1 – Definition of Reporting Entity

The Carbon Valley Parks and Recreation District (the District), is a quasi-municipal corporation Carbon Valley Park and Recreation District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in 1983 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the County of Weld County, Colorado. The District's service area is located in Weld County, Colorado including the communities of Frederick, Firestone, Dacono and the surrounding rural area. The District was established to construct and maintain parks and recreation facilities.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability 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 District is not financially accountable for any other District organization, nor is the District a component unit of any other primary governmental entity.

Note 2 – Summary of Significant Accounting Policies

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes, intergovernmental revenue and fees and charges.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows, and liabilities and deferred inflows of the District being reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* 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 program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 District considers revenues to be available if they are collected within 60 days after year-end. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue – Conservation Trust Fund – This fund is used to account for conservation trust revenues and expenditures incurred for eligible costs. Conservation Trust Fund revenue is restricted for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.

Capital Improvements Project Fund - This fund is used to account for the accumulation of resources for the design, construction and improvements of various individual capital projects of the District.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District’s Board of Directors may 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.

Pooled Cash and Investments

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 single account. 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 and investments. Investments are carried at fair value.

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set 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 Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. Property taxes are recorded as revenue in the year it is available or collected (the year it is levied for).

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans).

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets defined by the District as assets include improvements to buildings and equipment with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	7-50 years
Equipment	5-20 years
Vehicles	5-12 years

Long Term Obligations

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the issue using the effective interest method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Paid Time Off (Compensated Absences)

It is the District's policy to allow employees to accumulate unused paid time off (PTO) up to a certain maximum number of hours, depending on years of service. All such benefits are accrued when incurred in the government-wide financial statements. A liability for this amount is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements. PTO is generally liquidated by the General Fund. All unpaid PTO balances are paid at the hourly rate when the employee retires, resigns or is terminated according to a vesting schedule based on years of service. The District has reported a liability for accrued compensated absences of $20,059 at December 31, 2021.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This 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 government only has three items that qualifies for reporting in this category. Accordingly, the items *pension and OPEB contributions subsequent to measurement date,* and *pension and OPEB related deferrals* are deferred and recognized as outflows of resources in the period that the amounts become available.

In addition to liabilities, the statement of net position and the fund balance sheet 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 government has two types of items that qualify for reporting in this category. Accordingly, the items, *deferred property tax revenue* and *pension and OPEB related deferrals,* are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

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 (FNP) and additions to/deductions from the FNP 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 was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of December 31, 2021.

Other Postemployment Benefits (OPEB).

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government -wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

The District reports the following Restricted Fund Balances:

Restricted for Debt Service

Represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

Restricted for TABOR Emergencies

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 13).

Restricted for Conservation Trust Fund

The amount restricted for Conservation Trust Fund represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

Committed fund balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

Note 3 – Cash and Investments

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Investments	$ 5,710,697
Cash and Investments - Restricted	236,900
	$ 5,947,597

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	$ 3,065,014
Investments	2,882,583
Total Cash and Investments	$ 5,947,597

Deposits with Financial Institutions

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are uninsured but collateralized. The State Commissioners 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.

December 31, 2021, the District’s cash deposits had a bank balance of $3,147,839 and a carrying balance of $3,065,014.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. The District generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

At December 31, 2021, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted Average Under 60 days	$ 2,882,583

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAm by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Note 4 – Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2021 follows.

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 175,847	$ -	$ -	$ 175,847
Construction in Process	6,961	25,450	(32,411)	-
	182,808	25,450	(32,411)	175,847
Capital Assets Being Depreciated				
Buildings and Improvements	13,679,967	401,283	-	14,081,250
Equipment	551,444	85,158	-	636,602
Vehicles	244,887	32,411	-	277,298
Total Capital Assets Being Depreciated	14,476,298	518,852	-	14,995,150
Less Accumulated Depreciation for				
Buildings and Improvements	(4,068,533)	(339,326)	-	(4,407,859)
Equipment	(166,123)	(41,080)	-	(207,203)
Vehicles	(119,714)	(23,983)	-	(143,697)
Total Accumulated Depreciation	(4,354,370)	(404,389)	-	(4,758,759)
Capital Assets Being Depreciated, Net	10,121,928	114,463	-	10,236,391
Total Capital Assets, Net	$ 10,304,736	$ 139,913	$ (32,411)	$ 10,412,238

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
Administration	$ 10,601
Swimming Pool, Recreation and Sports Programs	393,788
	$ 404,389

Note 5 – Operating Lease

On March 1, 2019, the District entered into a lease agreement for administrative office space. The lease is for a period of five years with an option for an additional five years. Base rental payments ranging from $4,761 per month in year one to $5,205 per month in year five commence upon the issuance of a certificate of occupancy, which occurred on June 1, 2020. Base rental expense for the office space totaled $57,871 for the year ended December 31, 2021.

The future minimum lease payments for this lease follow:

Year Ending December 31	Amount
2022	$ 59,167
2023	60,504
2024	61,882
2025	20,821
	$ 202,374

Note 6 – Long-Term Obligations

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Capital Lease Obligations					
Senior Center and Gymnasium, 2009	782,864	-	124,866	657,998	129,911
Fitness Equipment, 2017	1,862	-	1,862	-	-
Total	$ 784,726	$ -	$ 126,728	$ 657,998	$ 129,911

The detail of the District's long-term obligations follows:

Capital Lease Obligations

2009 Building Lease

On May 1, 2009, the District entered into a Lease Agreement with Valley Bank & Trust for the purpose of financing a portion of the acquisition, construction and installation of a Senior Center and Gymnasium. Under the Agreement, the District agrees to sublease property from which Valley Bank & Trust has a leasehold interest in the land, the premises, building and improvements situated or to be situated on the land. The lease agreement qualifies as a capital lease for accounting proposes and, therefore, has been recorded at the present value of the future minimum lease payment as of the inception date. The lease was capitalized in the amount of $1,800,000 with interest at 4.00%. The District is required to make semi-annual payments due on April 1, and October 1, beginning on October 1, 2009, and ending on October 1, 2026. The District may prepay the lease, at any time, in whole, upon payment by the District on or after May 1, 2019.

The net present value of these minimum lease payments as of December 31, 2021, follows:

Year Ending December 31	Amount
2022	$ 154,944
2023	154,944
2024	154,944
2025	154,944
2026	108,791
Minimum lease payments	728,567
Less: Amount representing interest	(70,569)
Present value of minimum Lease Payments	$ 657,998

2017 Recreation Equipment

On November 1, 2015, the District entered into a Lease Agreement with Kansas State Bank of Manhattan for the purpose of acquiring fitness equipment. The Lease Agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payment as of the date of inception. The lease was capitalized in the amount of $11,483 and bears interest at a rate of 6.39%. The District is required to make monthly payments beginning on August 1, 2017 and ending July 1, 2021. The lease was paid in full during the year ended December 31, 2021.

Assets acquired through capital leases are as follows:

Assets:	
Building and improvements	$ 1,800,000
Less: Accumulated Depreciation	(436,373)
	$ 1,363,627

Amortization of leased buildings and improvements under capital assets is included with depreciation expense.

Note 7 – Net Position

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2021, the District had net investment in capital assets calculated as follows:

Capital assets, net	$ 10,412,238
Current portion of outstanding long-term obligations	(129,911)
Noncurrent portion of outstanding long-term obligations	(528,087)
Net investment in capital assets	$ 9,754,240

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of either governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021, as follows:

Emergency reserves	$ 150,000
Conservation Trust Fund	236,900
Total restricted net position	$ 386,900

The District's unrestricted net position as of December 31, 2021, totaled $3,364,724.

Note 8 – Intergovernmental Agreements

City of Dacono

On July 28, 2016, and amended on December 16, 2019, the District and the City of Dacono (City) entered into an intergovernmental agreement to set forth the general understandings of the parties regarding their relationship and their provision of recreation facilities and services within the City and the District.

The District and the City acknowledge and agree that they will have the following general responsibilities with respect to the following matters of mutual interest to the District and the City:

- The City will add a condition of approval to any Resolution or Ordinance approving a development application for property that is not within the District requiring a valid petition for inclusion be submitted to the District for any property that is not already included within the District. Such best efforts shall not require that the City commence or join in any litigation regarding the enforcement of this provision.
- The City will give the District the opportunity to comment on development proposals on all new developments within the City no later than 15 days prior to the Planning Commission's consideration of such development proposal; provided, however, that, should the City or applicant for development inadvertently fail to mail such referral, such failure shall not constitute a breach of this Agreement, or require the delay or cancelation of any scheduled Planning Commission or City Council public hearing regarding the subject development.
- The City will own and develop the neighborhood, area and regional parks within the City.
- The City will continue to pay for the watering of the inside and surrounding areas of the regional parks within the City.
- The District will provide and maintain a current contact list for the City's Public Works Manager and Chief of Police with current contact information for a District representative to be contacted in the case of emergency related to any District activity or event within the City. The District shall notify the Public Works Manager and Chief of Police in writing of any change of designated representative or such representative's contact information. However, if the District inadvertently fails to mail such referral it shall not constitute a breach of this Agreement.
- Representatives of the District shall provide the City Council with biannual updates that include information on current and planned services and facilities, and other issues related to implementation of this Agreement, and other matters of mutual interest.

- The District shall update its service plan or other necessary filings, as may be necessary to assure that it can include properties into the District that may annex into Dacono.
- The District shall only include properties within the District that are within the given boundaries of the District.
- The District shall not enter into any agreement with City of Dacono, Town of Firestone or Town of Frederick or properties in unincorporated Weld County to provide specific facilities or services without notification to the Dacono City Manager and City Council.

The term of this agreement will remain in effect until December 31, 2024, unless sooner terminated by mutual written agreement.

Town of Frederick

On April 27, 2006, the District and the Town of Frederick (Town) entered into an intergovernmental agreement to set forth the general understandings of the Parties regarding their relationship and their provision of recreation facilities and services within the Town and the District. The District and the Town acknowledge and agree that they will have the following general responsibilities with respect to the following matters of mutual interest to the District and the Town:

- The Town will continue to require developments within the Town that are not currently within the District to file a petition for inclusion with the District.
- The Town will give the District the opportunity to comment on development proposals on all new developments within the Town no later than 21 days prior to the Planning Commission's consideration of such development proposal.
- The Town will own and develop the St. Vrain Legacy Trail within the Town limits.
- The District will expend District capital improvements and maintenance funds within the Town, in amounts not less than the ratio of the total assessed valuation of all taxable property within the District. This capital improvement and maintenance expenditure allocation shall not apply to bond proceeds and shall be reviewed on a three-year basis commencing in the year 2007.
- The District will operate, maintain and manage the inside (other than watering) of mutually agreed upon sports fields and/or other recreation facilities within the Town.
- The District shall be responsible for cleaning of all areas and facilities used by it, and for the supervision of players and programs, and shall hold harmless the Town from any and all liability resulting there from.

- With respect to the Lighted Ball Field on Block 29, the District agrees to pay all power/lighting costs associated with its use. The parties agree to evenly split the cost of all water used. The District is required to perform routine maintenance on the lighted ball field to include the following: mow and water the grassed areas weekly; daily trash pickup and maintenance of facilities; and other grounds keeping as agreed upon by the Parties. The terms of the use of the facilities on Block 29 are further clarified in the July 2012 Agreement for Joint Use of Facilities between the District, the Town and the St. Vrain School District RE-1J.

The term of this agreement will remain in effect until December 31, 2021, unless sooner terminated by mutual written agreement.

Town of Firestone

On January 14, 2015, and amended on March 9, 2016, the District and the Town of Firestone (Town) entered into an intergovernmental agreement to set forth the general understandings of the Parties regarding their relationship and their provision of recreation facilities and services within the Town and the District, and specific responsibilities concerning the use, management, operation and maintenance of certain Town-owned parks that are jointly used for recreation services. The District and the Town acknowledge and agree that they will have the following general responsibilities with respect to the following matters of mutual interest to the District and the Town:

- The Town will continue to use its best efforts to require developments within the Town that are not currently within the District to file a petition for inclusion with the District.
- The Town will give the District the opportunity to comment on development proposals on all new developments within the Town no later than 15 days prior to the Planning Commission's consideration of such development proposal.
- The Town will own and develop the Firestone Trail.
- The Town will own and develop the neighborhood, area and regional parks and trails within the Town.
- The District will provide and maintain a current contact list to the Town for a District representative to be contacted in the case of emergency related to any District activity or event within the Town. The District shall notify the Town in writing of any change of designated representative or such representative's contact information.
- To the extent permitted by law, the Town agrees to indemnify and hold harmless the District and its officials, agents and employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the Town's use, operation, maintenance or management of Town parks or other

Town-owned facilities, to the extent caused by or claimed to be caused by the act, omission, or other fault of the Town, its officials, agents and employees.

- To the extent permitted by law, the District agrees to indemnify and hold harmless the Town, and its officials, agents and employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the District's use, operation, maintenance or management of Town parks or other Town-owned facilities, to the extent caused by or claimed to be caused by the act, omission, or other fault of the District, its officials, agents and employees.
- Representatives of the District shall provide the Town Board with quarterly updates that include information on current and planned services and facilities, and other issues related to implementation of this Agreement, and other matters of mutual interest.
- The agreement further clarifies the joint use for specific parks with the Town, including field maintenance, storage of District equipment and consent for capital improvements.

The agreement expired on December 31, 2019. The agreement is currently under review by the District and the Town and should be amended/renewed by the end of 2022.

Town of Firestone and the Firestone Urban Renewal Authority Cooperation Agreements

The District has entered into Cooperation Agreements with the Town of Firestone and the Firestone Urban Renewal Authority as it relates to the following urban renewal areas:

Urban Renewal Area	Plan Effective Date	Cooperation Agreement Date
Southern Firestone Urban Renewal Plan	January 28, 2010	September 9, 2010
Northern Firestone Urban Renewal Plan	June 12, 2013	October 17, 2012
Central Firestone Urban Renewal Plan.	December 16, 2015	December 16, 2015

The Agreements provide for the Firestone Urban Renewal Authority to pay the District all of the increase in property tax revenues calculated, produced, and allocated to the Firestone Urban Renewal Authority as a result of the levy of the District upon taxable property within the Urban Renewal Areas for twenty-five (25) years from the effective date of the Plan.

Note 9 – Public Employees' Retirement Association of Colorado

Defined Benefit Pension Plan

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 that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2020

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.

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, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible 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. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lessor 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 10 percent of PERA's Annual Increase Reserve (AIR) 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.

Contributions Provisions as of December 31, 2021

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* and § 24-51-413.

Employee contribution rates for the period of January 1, 2020 through December 31, 2021 are summarized in the table below:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employee contribution rate: (all employees other than State Troopers)	8.00%	8.50%	8.50%	8.50%
State Troopers	10.75%	12.00%	12.00%	12.50%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employer contribution rate	10.00%	10.50%	10.50%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	8.98%	9.48%	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	N/A	0.02%	0.02%
Total employer contribution rate to the LGDTF	**12.68%**	**13.18%**	**13.20%**	**13.20%**

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $218,562 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of $1,069,569 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the District proportion was 0.20524151490%, which was a decrease of 0.05265474960% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension income of $97,517. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 51,713	$ -
Changes of assumptions or other inputs	258,473	-
Net difference between projected and actual earnings on pension plan investments	-	(1,156,680)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,039	(292,480)
Contributions subsequent to the measurement date	218,562	N/A
Total	$ 533,787	$ (1,449,160)

$218,562 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, 2022.

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

Year ended December 31,	
2021	$ (351,381)
2022	(207,911)
2023	(392,093)
2024	(182,550)
	$ (1,133,935)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real wage growth	1.10%
Wage Inflation	3.50%
Salary increases, including wage inflations	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%
Post-retirement benefit increases: PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually) [1]	1.25%
PERA benefit structure hired after 12/31/06 [1]	Financed by the AIR

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

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

- **Males**: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 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.

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

The actuarial assumptions used in the December 31, 2019, 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.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real wage growth	0.70%
Wage Inflation	3.00%
Salary increases, including wage inflations Members other than State Troopers State Troopers[1]	 3.20% - 11.30% 3.20% - 12.40%
Long-term Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Post-retirement benefit increases: PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually) [1]	1.25%
PERA benefit structure hired after 12/31/06 [2]	Financed by the AIR

[1] C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the LGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

[2] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males**: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females**: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males**: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females**: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives [1]	6.00%	4.70%
Total	100.00%	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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%.

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 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. 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 0.50 percent every year until they are zero. Additionally, estimated

employer contributions reflect 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 FNP, 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 FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's FNP 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's proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability	$ 2,463,861	$ 1,069,569	$ (94,483)

Pension plan fiduciary net position

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

Defined Contribution Pension Plans

Voluntary Investment Program

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

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2021, program members contributed $-0- and the District recognized pension expense and a liability of $-0- and $-0-, respectively, for the Voluntary Investment Program.

Defined Contribution Retirement Plan (DC Plan)

Plan Description – Employees of the LGDTF that were hired on or after January 1, 2019 which were eligible to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, have the option to participate in the LGDTF or the Defined Contribution Retirement Plan (PERA DC Plan). The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's Annual Report as referred to above.

Funding Policy – All participating employees in the PERA DC Plan and the District are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan.

The employee and employer contribution rates for the period January 1, 2020 through December 31, 2021 are summarized in the tables below:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employee Contribution Rates:				
Employee contribution (all employees other than State Troopers)	8.00%	8.50%	8.50%	8.50%
State Troopers	10.75%	12.00%	12.00%	12.50%
Employer Contribution Rates:				
On behalf of all employees other than State Troopers)	10.00%	10.00%	10.00%	10.00%
State Troopers	12.85%	12.85%	12.85%	12.85%

Additionally, the employers are required to contribute to the LGDTF on behalf of all employees other than State Troopers as follows:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1]	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1]	1.50%	1.50%	1.50%	1.50%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413[1]	N/A	0.50%	0.50%	0.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	N/A	0.02%	0.02%
Total employer contribution rate to the LGDTF[1]	3.70%	4.20%	4.22%	4.22%

[1] Contribution rates for the DC Plan are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed $-0- and the District recognized pension expense and a liability of $-0- and $-0-, respectively, for the PERA DC Plan.

Note 10 – Defined Benefit Other Postemployment Benefit (OPEB) Plan

Health Care Trust Fund

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 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. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 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.

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $16,888 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of $148,792 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.01565859660%, which was a decrease of 0.0040931229% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized OPEB income of $2,413. At December 31, 2021, 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	$ 395	$ (32,712)
Changes of assumptions or other inputs	1,112	(9,124)
Net difference between projected and actual earnings on pension plan investments	-	(6,080)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,093	(45,079)
Contributions subsequent to the measurement date	16,888	N/A
Total	$ 24,488	$ (92,995)

$16,888 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, 2022.

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,	
2022	$ (17,447)
2023	(16,596)
2024	(18,729)
2025	(18,953)
2026	(12,795)
2027	(875)
	$ (85,395)

Actuarial assumptions. The total OPEB liability in the December 31, 2019 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 inflations	3.50% in aggregate
Long-term Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS cost trend rates	
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	Initial Costs for Members without Medicare Part A		
Medicare Plan	**Monthly Cost**	**Monthly Premium**	**Monthly Cost Adjusted to**
Medicare Advantage/Self-Insured Rx	$588	$227	$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is $458 (actual dollars) per month.

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

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

Post-retirement non-disabled 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% factor applied to rates for ages less than 80, a 113% 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% factor applied to rates for ages less than 80, a 106% 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, 2019, valuation were based on the results of the 2016 experience analysis for the period 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.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020.

The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%[1]	N/A

[1] C.R.S. § 24-51-101 (46), as amended, expanded the definition of “State Troopers” to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives [1]	6.00%	4.70%
Total	100.00%	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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%.

Sensitivity of the District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$144,946	$148,792	$153,269

Discount rate

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, 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 3.00%.
- 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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% 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%.

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%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Proportionate share of the net OPEB liability	$ 170,444	$ 148,792	$ 130,292

OPEB plan fiduciary net position

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

Note 11 – Interfund Transfers

Transfers between funds provide support for various District programs in accordance with budgetary authorizations. During the year ended December 31, 2021, the District made a one-time transfer of $675,000 to the Capital Improvements Projects Fund from the General Fund to fund capital improvements accounted for in that fund.

Note 12 – Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public official's liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool 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 13 – Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's 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 businesses 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.

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.

On November 5, 1996, the registered voters of the District voted to allow the District to collect, retain, and expend all revenues and other funds generated from its current general fund property tax mill levy of 4.427 mills, from fees and charges and all other sources, effective January 1, 1996, and continuing thereafter, and be used to provide District services as a voter approved revenue change, offset and an exception to the limits imposed by Article X, Section 20 of the Colorado Constitution, Section 29-1-301, C.R.S. This effectively removed all revenue and spending limits imposed by the Amendment.

The District's management believes it is in compliance with the 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.

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REQUIRED SUPPLEMENTARY INFORMATION

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND

LAST 10 YEARS *

	2020	2019	2018
District's Proportion of the Net Pension Liability (Asset)	0.2052415149%	0.2578962645%	0.2533774496%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 1,069,569	$ 1,886,230	$ 3,185,494
District Covered Payroll	$ 1,515,053	$ 1,779,794	$ 1,650,097
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	70.596%	105.980%	193.049%
Calculation of Collective Net Pension Liability ($ in thousands):			
Total Pension Liability	$ 5,715,765	$ 5,324,353	$ 5,228,602
Plan Fiduciary Net Position	5,194,638	4,592,962	3,971,389
Net Pension Liability	$ 521,127	$ 731,391	$ 1,257,213
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.88%	86.26%	75.96%

Information above is presented as of the measurement date.

* Information is not currently available for prior years; additional years will be displayed as they become available.

2017	2016	2015	2014	2013
0.2472901214%	0.2434792201%	0.2611941358%	0.2451143857%	0.2866548388%
$ 2,753,402	$ 3,287,800	$ 2,877,266	$ 2,196,983	$ 2,358,943
$ 1,527,027	$ 1,438,023	$ 1,516,586	$ 1,343,117	$ 1,529,330
180.311%	228.633%	189.720%	163.573%	154.247%
$ 5,396,516	$ 5,123,847	$ 4,762,090	$ 4,647,777	$ 4,517,239
4,283,086	3,773,506	3,660,509	3,751,468	3,694,318
$ 1,113,430	$ 1,350,341	$ 1,101,581	$ 896,309	$ 822,921
79.37%	73.65%	76.87%	80.72%	81.78%

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND
LAST 10 YEARS *

Year Ending December 31,	Statutorily Required Contribution	Actual Employer Contribution	Contribution Deficency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2013	$ 193,919	$ 193,919	$ -	$ 1,529,330	12.68%
2014	$ 170,307	$ 170,307	$ -	$ 1,343,117	12.68%
2015	$ 192,312	$ 192,312	$ -	$ 1,516,586	12.68%
2016	$ 182,341	$ 182,341	$ -	$ 1,438,023	12.68%
2017	$ 193,627	$ 193,627	$ -	$ 1,527,027	12.68%
2018	$ 209,232	$ 209,232	$ -	$ 1,650,097	12.68%
2019	$ 225,680	$ 225,680	$ -	$ 1,779,794	12.68%
2020	$ 196,103	$ 196,103	$ -	$ 1,515,053	12.94%
2021	$ 218,562	$ 218,562	$ -	$ 1,655,701	13.20%

* Information is not currently available for prior years; additional years will be displayed as they become available.

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CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA - HEALTH CARE TRUST FUND
LAST TEN YEARS *

	2020	2019
District's Proportion of the Net OPEB Liability	0.0156585966%	0.0197517195%
District Proportionate Share of the Net OPEB Liability	$ 148,792	$ 222,009
District Covered Payroll	$ 1,515,053	$ 1,779,794
Proportionate Share of Net OPEB Liability as a Percentage of its Covered Payroll	9.821%	12.474%
Calculation of Collective Net Pension Liability ($ in thousands):		
Total OPEB Liability	$ 1,413,526	$ 1,488,508
Plan Fiduciary Net Position	463,301	364,510
Net OPEB Liability	$ 950,225	$ 1,123,998
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.78%	24.49%

* The amounts presented for each fiscal year were determined as of December 31st, the measurement date used by the District.

* Information is not currently available for prior years; additional years will be displayed as they become available.

2018		2017		2016	
0.0196494383%		0.0192155478%		0.0186902603%	
$	267,339	$	249,725	$	242,326
$	1,650,097	$	1,527,027	$	1,438,023
16.201%		16.354%		16.851%	
$	1,639,734	$	1,575,822	$	1,556,762
	279,192		276,222		260,228
$	1,360,542	$	1,299,600	$	1,296,534
17.03%		17.53%		16.72%	

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA - HEALTH CARE TRUST FUND
LAST TEN YEARS *

Year Ending December 31,	Statutorily Required Contribution	Actual Employer Contribution	Contribution Deficency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2013	$ 15,600	$ 15,600	$ -	$ 1,529,330	1.02%
2014	$ 13,700	$ 13,700	$ -	$ 1,343,117	1.02%
2015	$ 15,421	$ 15,421	$ -	$ 1,516,586	1.02%
2016	$ 14,622	$ 14,622	$ -	$ 1,438,023	1.02%
2017	$ 15,576	$ 15,576	$ -	$ 1,527,027	1.02%
2018	$ 16,831	$ 16,831	$ -	$ 1,650,097	1.02%
2019	$ 18,154	$ 18,154	$ -	$ 1,779,794	1.02%
2020	$ 15,454	$ 15,454	$ -	$ 1,515,053	1.02%
2021	$ 16,888	$ 16,888	$ -	$ 1,655,701	1.02%

* Information is not currently available for prior years; additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION

CARBON VALLEY PARKS AND RECREATION DISTRICT

CAPITAL IMPROVEMENT PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Year Ended December 31, 2020)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Net Investment Income	$ -	$ 230	$ 230	$ 3,271
Expenditures				
Admin Building Remodel	-	-	-	118,060
Recreation Center - Carpeting	23,000	22,689	311	-
Recreation Center - Fitness/Mind Body Remodel	50,000	50,127	(127)	-
Gym/Senior Center Remodel	41,600	18,609	22,991	35,609
Interior Painting - Rec Center Common Areas	12,000	13,087	(1,087)	-
Rec Center Signage - Interior	20,000	24,875	(4,875)	-
Rec Center Signage - Exterior Marque	20,000	-	20,000	-
Parking Lot Sealing	-	24,558	(24,558)	-
Interior Painting - Pool Area	15,000	19,393	(4,393)	-
Contingency	50,000	-	50,000	-
Total Expenditures	231,600	173,338	58,262	153,669
Excess Revenues Over (Under) Expenditures	(231,600)	(173,108)	58,492	(150,398)
Other Financing Sources				
Transfers In	675,000	675,000	-	675,000
Net Change in Fund Balance	443,400	501,892	58,492	524,602
Fund Balance - Beginning	1,042,578	1,050,580	8,002	525,978
Fund Balance - Ending	$ 1,485,978	$ 1,552,472	$ 66,494	$ 1,050,580

See Independent Auditor's Report

OTHER INFORMATION

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULES OF FUTURE DEBT SERVICE REQUIREMENTS
December 31, 2021

$1,800,000 Capital Lease Obligation
Dated May 1, 2009

Year	Rate	Principal	Interest	Total
2022	4.00	$ 129,911	$ 25,033	$ 154,944
2023	4.00	135,159	19,785	154,944
2024	4.00	140,620	14,324	154,944
2025	4.00	146,301	8,643	154,944
2026	4.00	106,007	2,784	108,791
		$ 657,998	$ 70,569	$ 728,567

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

			Mill Levy						
Levy Year	**Collection Year**	**Assessed Valuation**	**General**	**Debt**	**Abate-ments**	**Total**	**Total Levy**	**Current Collection**	**Collection Rate**
2008	2009	$ 270,618,897	4.427	2.230	0.000	6.657	$ 1,801,510	$ 1,781,407	98.88%
2009	2010	299,678,140	4.427	2.230	0.000	6.657	1,994,957	1,959,268	98.21%
2010	2011	302,898,970	4.427	2.230	0.000	6.657	2,016,398	2,015,043	99.93%
2011	2012	373,579,410	4.427	2.230	0.000	6.657	2,486,918	2,393,374	96.24%
2012	2013	413,761,430	4.427	2.230	0.000	6.657	2,754,410	2,688,664	97.61%
2013	2014	390,324,640	4.427	2.230	0.000	6.657	2,598,391	2,576,339	99.15%
2014	2015	383,194,650	4.427	2.230	0.053	6.710	2,571,236	2,552,913	99.29%
2015	2016	655,895,660	4.427	2.230	0.137	6.794	4,456,155	4,463,428	100.16%
2016	2017	559,667,218	4.427	2.230	0.398	7.055	3,948,452	3,944,489	99.90%
2017	2018	687,469,297	4.427	1.528	0.000	5.955	4,093,880	4,082,727	99.73%
2018	2019	673,541,658	4.427	0.192	0.000	4.619	3,111,089	2,988,553	96.06%
2019	2020	860,234,934	4.427	0.000	0.000	4.427	3,808,260	3,710,231	97.43%
2020	2021	820,500,979	4.427	0.000	0.000	4.427	3,632,358	3,700,897	101.89%
Estimated for the year ending December 31, 2022		$ 744,528,602	4.427	0.000	0.000	4.427	$ 3,296,028		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

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